ANNUAL REPORT 2015
YOC AG

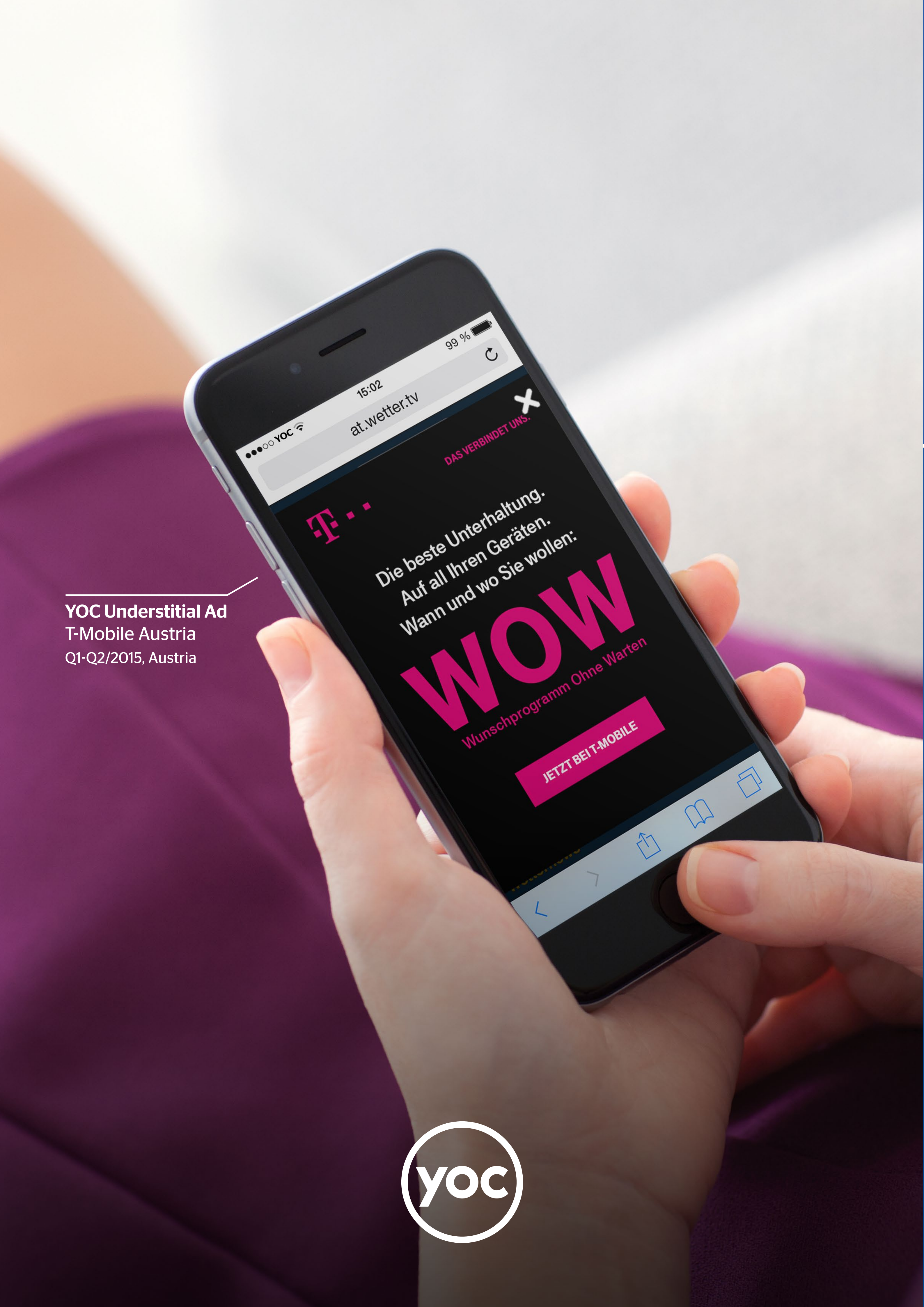
MOBILE ADVERTISING

YOC-Group Overview

YOC Overview (in kEUR)	2015	2014 (adjusted)	Change	Change %
Revenue and earnings				
Total revenue	9.735	9.083	652	7
D-A-CH	6.350	5.587	763	14
Other countries	3.385	3.496	-111	-3
Total output	11.432	11.966	-534	-4
EBITDA	-1.104	-1.058	-46	-4
EBITDA margin (in%)	-10	-9	u/a	u/a
Earnings after tax Mobile Advertising	-1.461	-1.529	68	4
Earnings after tax YOC-Group	-1.514	3.292	-4.806	-146
Earnings per share (diluted in EUR) Mobile Advertising	-0,47	-0,54	0,07	13
Earnings per share (basic in EUR) Mobile Advertising	-0,47	-0,54	0,07	13
Earnings per share (diluted in EUR) YOC-Group	-0,49	1,15	-1,64	-143
Earnings per share (basic in EUR) YOC-Group	-0,49	1,15	-1,64	-143
Employees				
Average number of employees*1	53	57	-4	-7
Number of employees at end of December	52	48	4	8
Revenue per employee (in kEUR)	184	159	24	15
Total output per employee (in kEUR)	216	210	6	33
Financial position and liquidity				
Total assets	3.868	4.135	-267	-6
Cash flow from operative activities	-1.295	-1.920	625	33

*1 Based on permanent employees

Where rounded figures are used, differences may occur due to commercial rounding



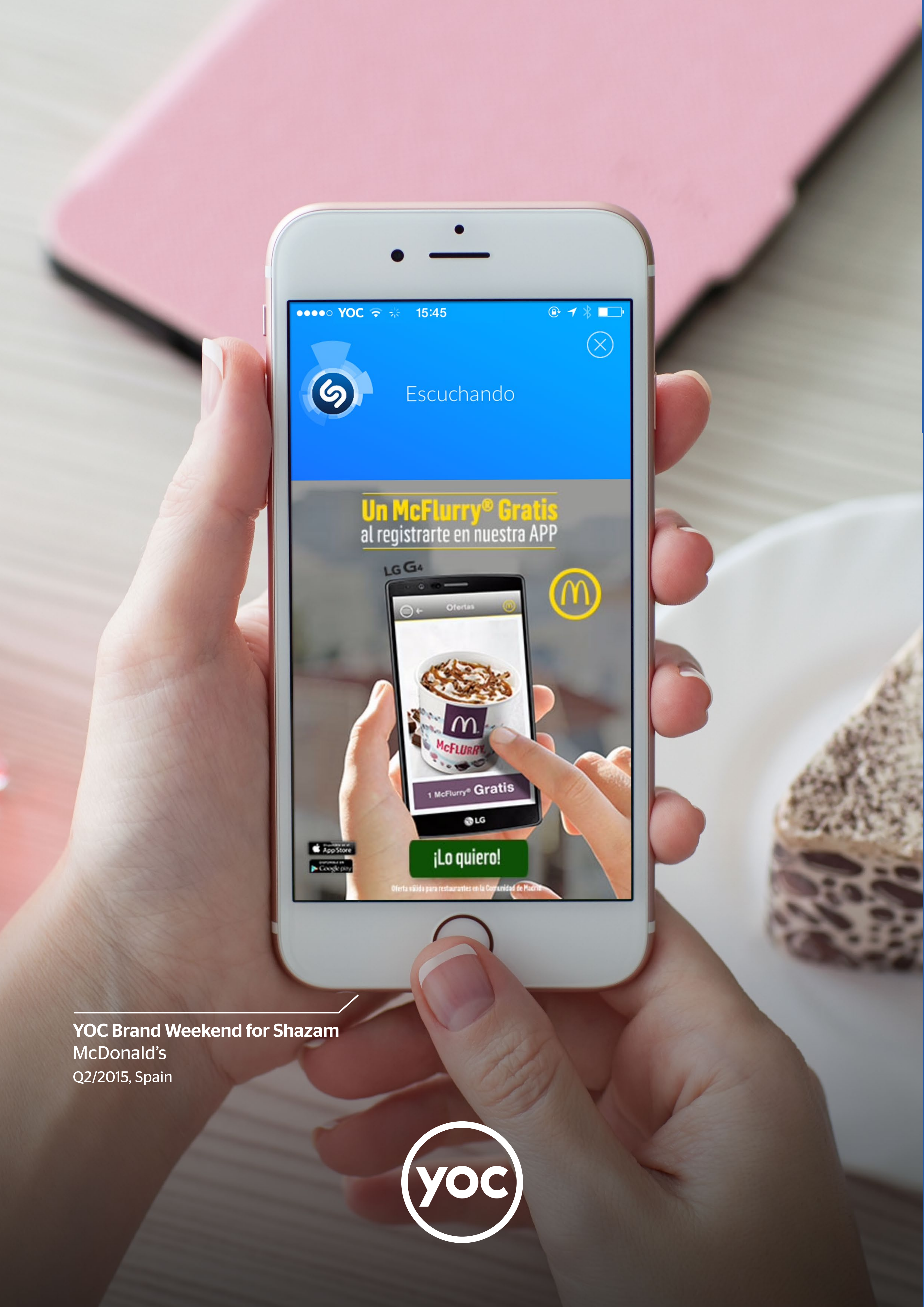
YOC Understitial Ad
T-Mobile Austria
Q1-Q2/2015, Austria

Index of contents

1 To our Shareholders

2 Group Management Report

3 Consolidated Financial



YOC Brand Weekend for Shazam
McDonald's
Q2/2015, Spain

yoc

1

To our Shareholders

Letter to the Shareholders

Dear Shareholders,

YOC AG has been among the pioneers of Mobile Advertising, going "mobile first" since 2001. Although our market environment has changed, there has been a distinct trend towards higher mobile advertising budgets. We - and our industry - have always been driven by the vision to target users on their "electronic companion" anytime and anywhere, using customised and profile-based solutions.

In financial year 2015, we pushed forward with positioning the company as a provider of Mobile Premium Programmatic Advertising. With our newly established products we continue to pursue this strategy in order to accelerate the future growth of the company.

- We increasingly sell our inventory of mobile advertising spaces automatically through programmatic sales channels
- To our range of interactive and efficient mobile advertising formats we added user-centric products such as YOC Understitial Ad
- Through our self-developed business intelligence tool YOC Hub for publishers we achieved to progressively automate internal as well as external processes.

Although the corporate growth in the past financial year 2015 was still not satisfying, a positive trend becomes apparent: YOC AG recognised around 7 % revenue growth to EUR 9.7 million on group level (2014: EUR 9.1 million). Thereby, the company achieved to halt the negative revenue trend on annual level since 2012.

In the German-speaking market, revenue increased by 14 % year-on-year to EUR 6.3 million (2014: EUR 5.6 million). Particularly in Austria, YOC was able to further expand its prominent market position. The German business faced a positive development owing to longstanding partnerships with renowned media agencies.

Due to the insufficient development in Great Britain and Spain, the Rest of Europe region saw an overall decline in revenue by -3 % to EUR 3.4 million (2014: EUR 3.5 million). In the British market, the implementation of a changed market access took longer than anticipated. In this respect, we were not able to achieve our set goals. Nevertheless, we are convinced that we will regain a leading role with our range of programmatic products, also in the UK.

The upward trend of the Spanish subsidiary in the course of the year confirms the growing recognition in the market. The ambitious revenue objectives were not yet met in the past financial year. The undertaken development efforts, however, are pointing the way: After a successful fourth quarter of 2015, the Spanish subsidiary achieved revenue growth of more than 70 % year-on-year in the first quarter of 2016.

In the past financial year, operating results before depreciation and amortisation came to EUR -1.1 million, remaining at the previous year's level. Adjusted for non-operating effects, EBITDA amounted to EUR -1.9 million, showing a (still unsatisfying) improvement by EUR 0.3 million.

The most important task in the long term, and at the same time the best opportunity for a further development of our company, is to also provide our self-developed mobile advertising formats programmatically; this is the focus of our daily actions.
In the current financial year 2016, we will increase revenue and gross profit by means of new data-driven mobile advertising solutions, while at the same time further improving the revenue per employee which already rose by 15 % to kEUR 184 in 2015.

We would like to thank all employees who help shaping the development of the company through their ardour and skills. Together we will realise the next strategic measures and, as a result, push forward with significantly improving our results.

We sincerely thank you, dear valued shareholders, for the trust you have placed in us. We are looking forward to continuing our cooperation in future.

Kind regards,

Dirk Kraus

Michael Kruse

Management Board YOC AG

Report of the Supervisory Board

In the financial year 2015, the Supervisory Board fully and diligently carried out the tasks and duties incumbent upon it by law, the Articles of Association and the Rules of Procedure. It devoted close attention to the company's position, regularly advised the Management Board on the management of the company, and continuously monitored its activities. The Supervisory Board was impressed by the lawful, functional and proper manner displayed by the management.

It also monitored whether appropriate steps were taken in respect of risk management and compliance. The Supervisory Board also monitored whether the Management Board took suitable measures as required under Sect. 91 Para. 2 of the German Stock Corporation Act (AktG).

The Supervisory Board was directly involved in all decisions of fundamental importance to the company and discussed them in detail. By means of regular written and oral reports from the Management Board, the Supervisory Board kept itself duly apprised of the company's sales and revenue performance, its business operations, prospective business policy and corporate planning, as well as its risk management and internal control systems.

When the Management Board made decisions or took measures that, by law or the Management Board's current Rules of Procedure, were subject to approval by the Supervisory Board, the Supervisory Board gave its approval only after a thorough review of the documents submitted to it and thorough discussion.

In addition to numerous technical issues, measures subject to approval and the company's business performance, matters discussed in depth by the Supervisory Board in the financial year 2015 included fundamental corporate planning issues, financing, corporate strategy, the consolidation of international business as well as personnel decisions. Short-term, medium-term, and long-term issues were treated equally.

Composition of the Supervisory Board

YOC AG's Supervisory Board in 2015 comprised three members: Dr Nikolaus Breuel has been its Chairman since 16 January 2014. Deputy Chairman is Konstantin Graf Lambsdorff. The third Supervisory Board member is Sacha Berlik.

Key issues in the Supervisory Board's activities

The Supervisory Board held a total of seven face-to-face meetings in the period under review. Further meetings were conducted by telephone, and the Supervisory Board passed resolutions by correspondence. The Supervisory Board was kept informed of the current state of business and all important business transactions by the Management Board. The Supervisory Board was informed by the Management Board of matters of particular significance also between meetings. Furthermore, the Supervisory Board Chairman met with the Management Board regularly to share information and advice. The Supervisory Board also took advantage of the opportunity for discussions without the presence of the Management Board. In its meetings and other decision-making activities in 2015, the Supervisory Board was always fully present and constituted a quorum. There were no indications of potential conflicts of interest among the Supervisory Board members in financial year 2015.

Among the matters to which the Supervisory Board devoted its attention, it gave top priority to economic and strategic issues such as the revenue development in Germany, Austria, Spain and Great Britain, liquidity planning, the transformation of the business model as well as the company's corporate action. The current status of the variable purchase price claim from the sale of belboon GmbH in financial year 2014 and extraordinary earnings from an out-of-court settlement were ongoing topics up to the conclusion of these procedures.

In the Supervisory Board meetings on 27 January 2015 and 19 March 2015, the board dealt with the budget and the associated liquidity planning as well as the road map for products and operations for financial year 2015. Other topics were the current business development and the then still unaudited annual report 2014. In the meeting of 19 March, the annual statement of compliance according to Sect. 161 AktG as submitted and adopted by the YOC AG Management Board was approved unanimously after thorough review and discussion.

In the Supervisory Board meeting of 22 April 2015, the auditors presented the current state of YOC AG's annual and consolidated financial statements. The financial statements as of 31 December 2014 were approved of by the Supervisory Board in a written resolution from the same day. In the context of the current business development, the closing of the French subsidiary was also discussed. On top of this, the Supervisory Board on 22 April 2015 decided on a combined equity and debt capital measure (capital increase and financing).

As of 25 July 2015, the Supervisory Board decided on the resolution proposals for the annual general meeting of 25 April 2015, as the Management Board had decided. During the Supervisory Board Meeting that was held on the same day, the board discussed the business development of the first half of 2015 as well as the forecast for financial year 2015.

Key issues of the Supervisory Board meetings from 24 August 2015, 09 November 2015 and 15 December 2015 were the current business development of the different national subsidiaries, liquidity planning for 2016 including the prospects for 2017, as well as the approval of YOC Group's 2016 business plan.

Audit of the Annual and Consolidated Financial Statements

The auditor appointed by the Supervisory Board, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, audited the annual and consolidated financial statements prepared by the Management Board, along with the Management Report and Consolidated Management Report for the financial year 2015, which were prepared in condensed form, and provided them with an audit certificate. During the course of its audit, the auditor found, in summary, that the Management Board had set up a risk management system compliant with legal requirements and that this system is fundamentally suited to detect developments early on which might put the company as a going concern at risk.

The above documents and the audit reports were made available to all members of the Supervisory Board in a timely manner. The documentation was thoroughly examined and discussed in the presence of the auditor during the meeting on 18 April 2016 concerning the statement of financial position. The auditor reported on the key results of its audit and stood by to provide additional information. The auditor also discussed the scope, main emphases, and costs of the audit. There were no circumstances that might give cause for concern as regards the auditor's impartiality.

The Supervisory Board acknowledged the auditor's report and approved the findings of the audit. They also concurred with the Management Board's evaluation of the position of YOC AG and the YOC Group. As its own examination resulted in no objections, the Supervisory Board approved the annual and consolidated financial statements prepared by the Management Board along with the Management Report and Consolidated Management Report prepared in condensed form for the financial year 2015. The annual financial statements of YOC AG were thereby adopted.

Corporate Governance

The Supervisory Board studied the recommendations of the German Corporate Governance Code again in the financial year 2015. In this context, the Supervisory Board also reviewed whether the remuneration received by the Management Board was adequate and within the customary range. The Supervisory Board also discussed the efficiency of its activities and the contents of the Declaration on Corporate Governance, including the Declaration of Conformity with the German Corporate Governance Code pursuant to Sect. 161 AktG. The Management Board and the Supervisory Board renewed their joint Declaration of Conformity in February 2016. The company largely complies with the recommendations of the German Corporate Governance Code. The Declaration of Conformity, along with notes explaining deviations from the recommendations, forms a part of the Declaration on Corporate Governance in this Annual Report. It has also been made permanently accessible on the company's webpage. Further information on corporate governance at YOC AG can be obtained from the Corporate Governance Report published in this Annual Report.

Personnel changes on the Management Board

Since 01 January 2015, YOC AG's Management Board consists of two members. The Supervisory Board appointed Michael Kruse to the Management Board who is now a board member of equal rank with Dirk Kraus (in office since September 2013).

Thanks to the members of the Managment Board and all YOC AG staff

The Supervisory Board would like to thank the Management Board and all staff of YOC AG and of all other companies in the Group for their high level of commitment over the past financial year.

Berlin, April 2016

The Supervisory Board

Dr. Nikolaus Breuel
Chairman

Corporate Governance Report

YOC AG attaches great importance to corporate governance, the principles of which aim to ensure the responsible and long-term value-driven management and control of our company. Efficient cooperation between the Management Board and the Supervisory Board, respect for the shareholders' interests and open and transparent corporate communications are key aspects of good and responsible company management and corporate control.

The Management Board and Supervisory Board report on corporate governance at YOC AG as follows:

YOC AG complies with the recommendations of the "Government Commission on the Ger-man Corporate Governance Code" in the version of 05 May 2015 with the exception of Item 3.8 Para. 3, Item 4.1.5, Item 4.2.1, Item 4.2.2 Para. 2, Item 5.1.2 Para. 1 Sent. 2 and 3, Item 5.1.2 Para. 2 Sent. 3, Item 5.3.1, 5.3.2 and 5.3.3, Item 5.4.1 Para. 2, Item 5.4.3 Sent. 2, and Item 7.1.2 Sent. 4.

The Management Board and the Supervisory Board of YOC AG have adopted the declaration on the Corporate Governance Code (Declaration of Conformity 2015) included at the end of this report. It has been published on the YOC AG website at www.yoc.com (Investor Relations section).

1. Shareholders and general meeting

YOC AG reports to its shareholders four times in the financial year on business develop-ments and net assets, financial position and results of operations of the consolidated companies. Matters upon which the General Meeting decides include the appropriation of profit, discharge of the Management Board and the Supervisory Board, and election of the auditor. Amendments to the Articles of Association and corporate actions are resolved by the General Meeting alone and implemented by the Management Board. Shareholders may submit countermotions to resolutions proposed by the Management Board or the Supervisory Board and challenge resolutions of the General Meeting.

Unless the law or the Articles of Association provide otherwise, a majority of the votes cast is required for the General Meeting to pass resolutions. The Articles of Association can be viewed on the YOC AG website at www.yoc.com (Investor Relations section).

The Management Board makes use of electronic communication channels, in particular the Internet, to facilitate shareholder access to information on the General Meeting and to allow shareholders to vote in absentia by appointing a proxy. Shareholders are also provided with all necessary reports and documentation beforehand via the company's website.

2. Management and control structure

As required by the German stock corporation law, YOC AG has a two-tier management and control structure comprising a Management Board and a Supervisory Board. There is a strict separation between management personnel (Management Board) and corporate control personnel (Supervisory Board) within this two-tier management system. The law does not permit anyone to sit on both the Management Board and the Supervi-sory Board simultaneously. Each of these two bodies has its own duties and responsibilities which are clearly defined by law. The Management Board is responsible for the management of the company, while the Supervisory Board advises and monitors the Management Board.

2.1 Management Board

The Management Board consisted of two members as of 31 December 2015. Up-to-date information on the members of the Management Board and their areas of responsibility can be found in this Annual Report. In addition, information about functions and CVs are available online at www.yoc.com (Investor Relations section).

The Management Board has sole responsibility for the management of the company and exercises control over the consolidated companies. It has a duty to act in the interests of the company and is committed to increasing the sustainable company value. It is responsible for defining the company's strategic direction in consultation with the Supervisory Board.

The Management Board works in close cooperation with the Supervisory Board, inform-ing the latter regularly, promptly and in detail on all issues relevant to the company concerning strategy, strategy implementation, planning, business development, financial position and results of operations, compliance and corporate risks.

The Management Board is responsible for drawing up the quarterly reports, half-year and annual financial statements of YOC AG and the consolidated financial statements. It ensures compliance with statutory provisions and appropriate risk management within the company.

2.2 Supervisory Board

The Supervisory Board of YOC AG consists of three members, elected in accordance with Sect. 101 AktG [German Stock Corporation Act] in conjunction with Sect. 10 Para. 2 of the Articles of Association, by the General Meeting for the term of office ending with the conclusion of the General Meeting that resolves on the discharge for the fourth financial year following their election. More information on the members of the Supervisory Board can be found at www.yoc.com (Investor Relations section) and in this Annual Report.

The Supervisory Board monitors and advises the Management Board with regard to the management of the business. At regular intervals the Supervisory Board discusses business development and planning along with strategy and its implementation with the Management Board. The Supervisory Board approves the annual financial statements and takes note of and approves the consolidated financial statements following discussion with the auditor and its own review. It also appoints the members of the Management Board. Fundamental decisions affecting YOC AG are subject to its approval. These include decisions or measures that would significantly change the company's net assets, financial position or results of operations. The information and reporting obligations of the Management Board were defined by the Supervisory Board.

The members of the Supervisory Board make their decisions independently and are not bound by the demands or instructions of third parties. Furthermore, consultancy, service and other agreements between YOC AG and its subsidiaries on the one hand and members of the Supervisory Board on the other hand are subject to approval by the Supervisory Board.

3. Remuneration report

The Remuneration report is based on the "Recommendations of the German Corporate Governance Code". It summarises the principles which are applied in setting the remuneration of the Management Board of YOC AG and explains the amount and structure of the Management Board members' income. It also describes the principles according to which the Supervisory Board members are remunerated and the amount of their remuneration.

The Remuneration report further contains particulars which, under German commercial law, must be included as part of the notes to the consolidated financial statements pursuant to Sect. 314 HGB [German Commercial Code] and the Group Management Report pursuant to Sect. 315 HGB.

3.1 Remuneration of the Management Board

The Supervisory Board is responsible for setting the Management Board's remuneration. In doing so, it considers the company's size and activities, the company's economic and financial position, the duties of the Management Board member in question and, for comparative purposes, the amount and structure of management board remuneration elsewhere in the industry. Management Board remuneration is performance-based. Remuneration is designed to be competitive in the market for highly qualified management personnel and to offer an incentive for successful performance.

In financial year 2015 it consisted of a fixed basic remuneration amount, a variable component and participation in the phantom stock option programme.

- The basic remuneration is cash remuneration in a fixed amount for the year as a whole which is specific to the Management Board member's area of responsibility and is paid out in twelve monthly instalments.

- The variable component consists of cash remuneration as profit-sharing based on YOC AG's results of operations according to IFRS (EBITDA) and is subject to an upper limit.

- With the participation in the phantom stock option programme set up in 2014, members of the Management Board selected by the Supervisory Board receive phantom stock options. The phantom stock option programme simulates the actual holding of shares in the company's equity capital by the beneficiaries. Other than in a stock option programme with "actual" stock options, the exercising of phantom options does not authorise to subscribe to company shares, but rather entitle the holder to claim a certain amount of money in cash from the company as further defined in the option terms and conditions. The phantom options do not give the holder any participation rights in the company under commercial law, in particular no share-based claim to rights of information or participation, voting rights or participation in net profit.

3.2 Remuneration of the Supervisory Board

Supervisory Board remuneration was set by the General Meeting of YOC AG on the basis of a proposal by the Management Board and Supervisory Board.

Supervisory Board remuneration is fixed at kEUR 12.5 for one financial year. The chairman of the Supervisory Board receives twice this amount and the deputy chair 1.5 times this amount. For each face-to-face meeting of the Supervisory Board, each member of the Supervisory Board receives the amount of kEUR 1.0; the chairman of the Supervisory Board receives twice that; and the deputy chair 1.5 times that amount.

Remuneration of the Supervisory Board in 2015

Name	Fixed remuneration (kEUR)	Attendance Fee	Total
Dr. Nikolaus Breuel (Chairman)	21	10	31
Konstantin Graf Lambsdorff	16	7	23
Sacha Berlik	11	5	16
Total	**48**	**22**	**70**

No remuneration was granted for personally rendered services apart from the board activities, particularly for any consulting or referral services.

Remuneration for the activities of the Supervisory Board came to a total of kEUR 70 in financial year 2015.*

4. Accounting and auditing

The consolidated financial statements and interim reports are drawn up in accordance with the IFRS. The consolidated financial statements are drawn up by the Management Board and reviewed by the auditor and the Supervisory Board. The consolidated financial statements for the financial year 2015 were not completed by the deadline for public disclosure of 90 days after the end of the financial year as defined in Sect. 7.1.2 Sent. 4 of the German Corporate Governance Code. The company will make every effort to comply with the recommendation according to Sect. 7.1.2 Sent. 4 of the German Corporate Governance Code, but cannot guarantee compliance for 2016.

It was agreed with the auditor, Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Stuttgart, Berlin branch, that the chairman of the Supervisory Board would immediately be informed of any reasons precluding the employment of the auditor and any conflicts of interest arising during the audit. It was furthermore agreed that the auditor would immediately report on all issues and events of significance for the work of the Supervisory Board which are revealed during the conduct of the audit.

5. Transparency

YOC AG provides all capital market participants with information on a uniform, comprehensive, prompt and simultaneous basis. The business situation and results of YOC AG and YOC Group are reported in the annual report, the half-year report and the interim reports. In addition, information is passed on through ad-hoc communications, when the law so requires, and through press releases and the company's website.

To ensure that all capital market participants are treated equally, YOC AG also publishes all information relevant to capital markets simultaneously in German and English on the company website. The financial reporting dates are published on the financial calendar with sufficient advance notice. Changes in the make-up of the shareholder structure which must be reported according to Sect. 26 WpHG [Securities Trading Act] and the purchase and sale of shares of individuals holding management positions within YOC AG (Directors' Dealings according to Sect. 15a WpHG) are also published by the Management Board.

The tables below list all holdings of members of the Management Board and the Supervisory Board which directly or indirectly exceed 1% of shares issued by the company:

Supervisory Board holdings as of 31 December 2015

Name	Number of shares
Dirk Kraus	607.685

*In support of the company, each member of the Supervisory Board waived 15 % of their fixed remuneration in the financial year 2015 as well as their remuneration for two Supervisory Board meetings. This has been considered in the calculations.)

6. Further information on the YOC AG share option programme

2009 saw the launch of the YOC Management Incentive Programme with a total of up to 175,000 subscription rights. One subscription right entitles the holder to acquire one share in YOC AG. Subscription rights for the acquisition of YOC shares could be granted to members of the Management Board (up to 115,500 subscription rights) and to employees (up to 59,500 subscription rights). Subscription rights under the YOC Management Incentive Programme could be issued in precisely defined acquisition periods, for the last time in financial year 2012. As of 31 December 2015, subscription rights for the acquisition of 16,000 shares have been granted to former members of the Management Board and subscription rights for the acquisition of 20,000 shares have been granted to employees.

The subscription rights may be exercised by the holders no earlier than three years after they were issued. The exercise price of the subscription rights is based on the average Xetra closing price of the YOC share for the last eight stock trading days before the beginning of the acquisition period. However, the exercise price must be at least equal to the closing price of the YOC share on the day on which the subscription rights were issued. The prerequisites for exercising subscription rights include the holder's on-going employment with the company at the time of exercise and the fulfilment of certain performance targets. The performance targets include an increase in the YOC share price.

The subscription rights can be exercised only during precisely specified exercise periods. Exercise periods are based on the timing of the company press conference on the annual results and the publication of the report on the first half of the year. Each exercise period comprises 17 stock trading days. All holders of subscription rights are obliged to comply with the provisions of insider trading law.

No subscription rights were exercised before the end of financial year 2015.

7. Further information on the YOC AG phantom stock option programme

With the participation in the phantom stock option programme set up in 2014, a) members of the company's Management Board selected by the Supervisory Board and b) employees in the second management tier and other designated staff members selected by the Management Board receive phantom stocks. The phantom stock option programme simulates the actual holding of shares in the company's equity capital by the beneficiaries. Other than in a stock option programme with "actual" stock options, the exercising of phantom options does not authorise to subscribe to company shares, but rather entitle the holder to claim a certain amount of money in cash from the company as further defined in the option terms and conditions. The phantom options do not give the holder any participation rights in the company under commercial law, in particular no share-based claim to rights of information or participation, voting rights or participation in net profit.

Members of the Management Board who are holders of option rights may be granted 80,000 phantom stock options altogether.

Employees in the second management tier as well as other designated staff members who are holders of option rights may be granted up to 20,000 phantom stock options each. The phantom stock option programme for employees in the second management tier and other designated staff members is limited to a total of 90,000 phantom options. New phantom options may be issued in the amount of expired options.

Phantom stocks may be issued in 2014 for the first time, within one month after publication of the interim report for the third quarter or of the annual financial statements respectively. The last time phantom stocks may be acquired will be the issuance period in financial year 2017.

As of the reporting date on 31 December 2015, 40,000 phantom stock options have been issued to members of the Management Board and further 55,000 to employees in the second management tier and other designated staff members.

The phantom options may be exercised by their holders no earlier than three years after they have been issued. The exercise price is based on the average Xetra closing rate of YOC shares in the last 30 trading days before the subscription rights are granted. The exercise of the subscription rights is linked, among other things, to an on-going employment relationship for at least one year after the issuing date of subscription rights as well as the fulfilment of certain performance goals. These performance goals include an increase in the YOC share price.

The subscription rights of the phantom options may be exercised only during specific exercise periods. These exercise periods are connected with the publication of the company's interim reports, half-year reports or annual reports respectively. The exercise periods each encompass 19 bank working days.

8. Declaration by the Management Board and Supervisory Board of YOC AG, pursuant to Sect. 161 AktG, of compliance with the German Corporate Governance Code in the version of 05 May 2015 (2015 Declaration of Conformity)

According to Sect.161 AktG, the Management Board and the Supervisory Board of a listed company must annually declare that the recommendations of the "Government Commission on the German Corporate Governance Code" in the official part of the electronic Federal Gazette published by the German Federal Ministry of Justice were and are complied with, or which recommendations for valid reasons were or are not applied. The declaration must be made publicly available on the company's website.

The German Corporate Governance Code (DCGK) contains provisions not all of which are equally binding. Aside from descriptions of current company law, it contains recommendations which companies may disregard, in which case, however, they must annually disclose that they have done so. According to Sect. 161 AktG, departures from the recommendations of the DCGK must be justified. Furthermore, the DCGK contains suggestions which companies may disregard without disclosing that they have done so. The following declaration concerns the period since the last Declaration of Conformity, that of March 2015, and refers to the requirements of the DCGK in its current version of 05 May 2015.

The Management Board and the Supervisory Board of YOC AG declare that the recommendations made by the "Government Commission on the German Corporate Governance Code" are and were fundamentally complied with in the past. The Management Board and the Supervisory Board of YOC AG also intend to comply with it in the future. Only the following recommendations of the German Corporate Governance Code were and are not applied:

- **tem 3.8 Para. 3 DCGK:** The company is of the opinion that the motivation and responsibility with which the members of the Supervisory Board carry out their duties will not be improved by an insurance excess. The D&O liability insurance serves to safeguard against the company's material own risks and at most serves as a second-line defence of the assets of the members of those bodies. The D&O insurance for the Supervisory Board was therefore taken out without an excess.

- **tem 4.1.5 DCGK:** The appropriate representation of women in the Management Board as well as the two management levels below the Management Board cannot be specified in advance, as the filling of a position is determined by individual qualification.

- **Item 4.2.1 DCGK:** According to item 4.2.1 of the DCGK, the Management Board is to consist of several persons and have a chairman or spokesman. During the financial year 2014, YOC AG's Management Board consisted of one person. Since 1 January 2015, it consists of two members with equal rights. In agreement with the Supervisory Board and Management Board, the Group renounces a spokesman or chairman, as a hierarchy within the Management Board is not deemed necessary with respect to the company's size.

- **Item 4.2.2. Para. 2 DCGK:** The Supervisory Board is to consider the relationship between the remuneration of the Management Board and that of senior management and of the staff overall, also in terms of its development over time. For this comparison, the Supervisory Board must determine how senior management and the relevant staff are to be differentiated. No explicit differentiation has taken place in order to uphold the economic scope of the different bodies for salary negotiations.

- **Item 5.1.2 Para. 1 Sent. 2 and 3 DCGK:** The Supervisory Board cannot specify an appropriate representation or target figure of women in the Management Board in advance, as Board membership is determined by individual qualification.

- **Item 5.1.2 Para. 2 Sent. 3 DCGK:** No age limit for members of the Management Board has been set by the Supervisory Board. The members of the

Supervisory Board are convinced that the suitability for company management depends largely on individual capabilities.

- **Items 5.3.1, 5.3.2 and 5.3.3 DCGK:** As the Supervisory Board of YOC AG has only three members, it would be neither practical nor in accordance with best practice standards to set up committees, particularly an audit committee or nomination committee. The purpose of setting up an audit committee as proposed by the DCGK is to increase the efficiency of auditing. This aim would not be achieved at YOC AG as nearly all members of the plenum would have to sit on the audit committee. Similarly, nearly all plenum members would have to sit on the nomination committee, which would not bring any improvement in the preparation of Supervisory Board recommendations regarding candidates proposed by the shareholders.

- **Item 5.4.1 Para. 2 DCGK:** An appropriate representation of women cannot be specified in advance, as Board membership is determined by individual qualification. No age limit or limit for the length of job tenure has been set for Supervisory Board members. A candidate's ability to monitor and act as a coequal contact for the Management Board as a member of the Supervisory Board depends mainly on individual capabilities.

- **Item 5.4.3 Sent. 2 DCGK:** According to Item 5.4.3 Sent. 2 DCGK, the next General Meeting is to be set as the deadline for an application for the judicial appointment of a Supervisory Board member. To ensure continuity and efficient and productive work in the Supervisory Board, no deadline was set for the application for the judicial appointment of the present Supervisory Board members.

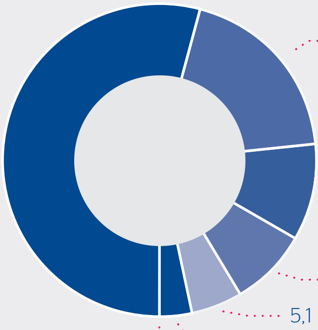
- **Item 7.1.2 Sent. 4 DCGK:** The company will endeavour to comply with the recommendation that the consolidated financial statements be made available to the public within 90 days after the end of the financial year and the interim reports within 45 days after the end of the reporting period, but cannot guarantee that it will do so owing to the large scope of consolidation.

Berlin, February 2016

YOC AG
The Management Board
The Supervisory Board

The YOC Share

Shareholders YOC AG

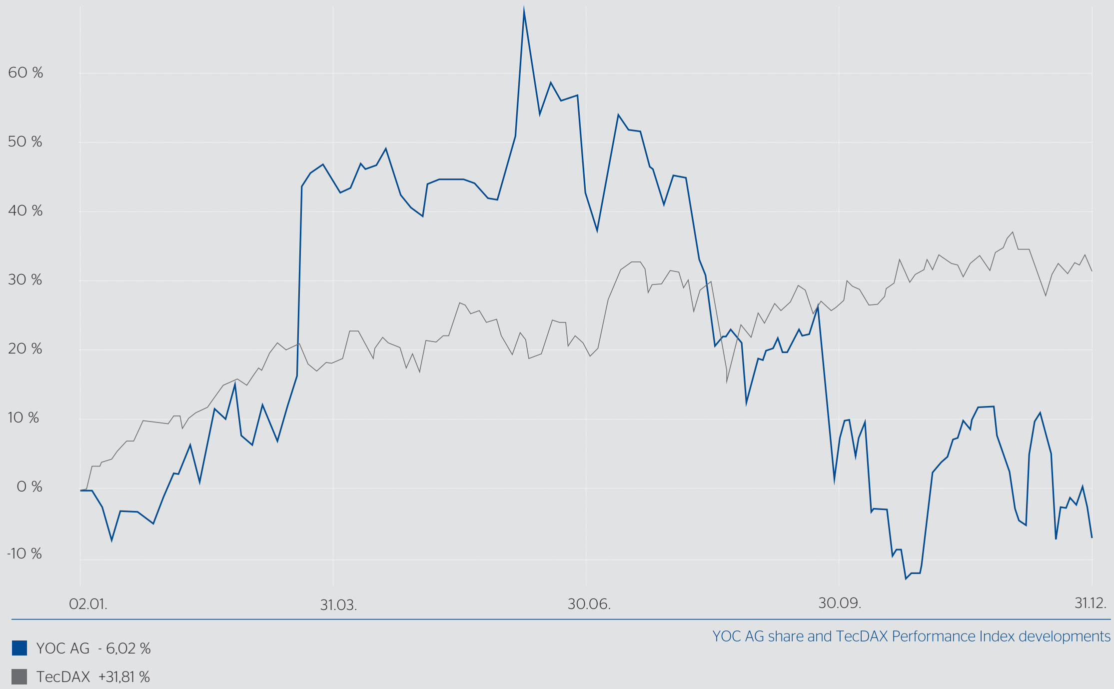


shareholder structure 31.12.2015

[1] The ownership interest held by dkam GmbH is attributed to Mr. Dirk Kraus

[2] 3 % is held by Dirk Kraus as a member of the community of heirs of Hilmar Kraus (93.803 voting rights accord to 3 %)

[3] The ownership interest held by ATK GmbH is attributed to Mr. Michael Kruse



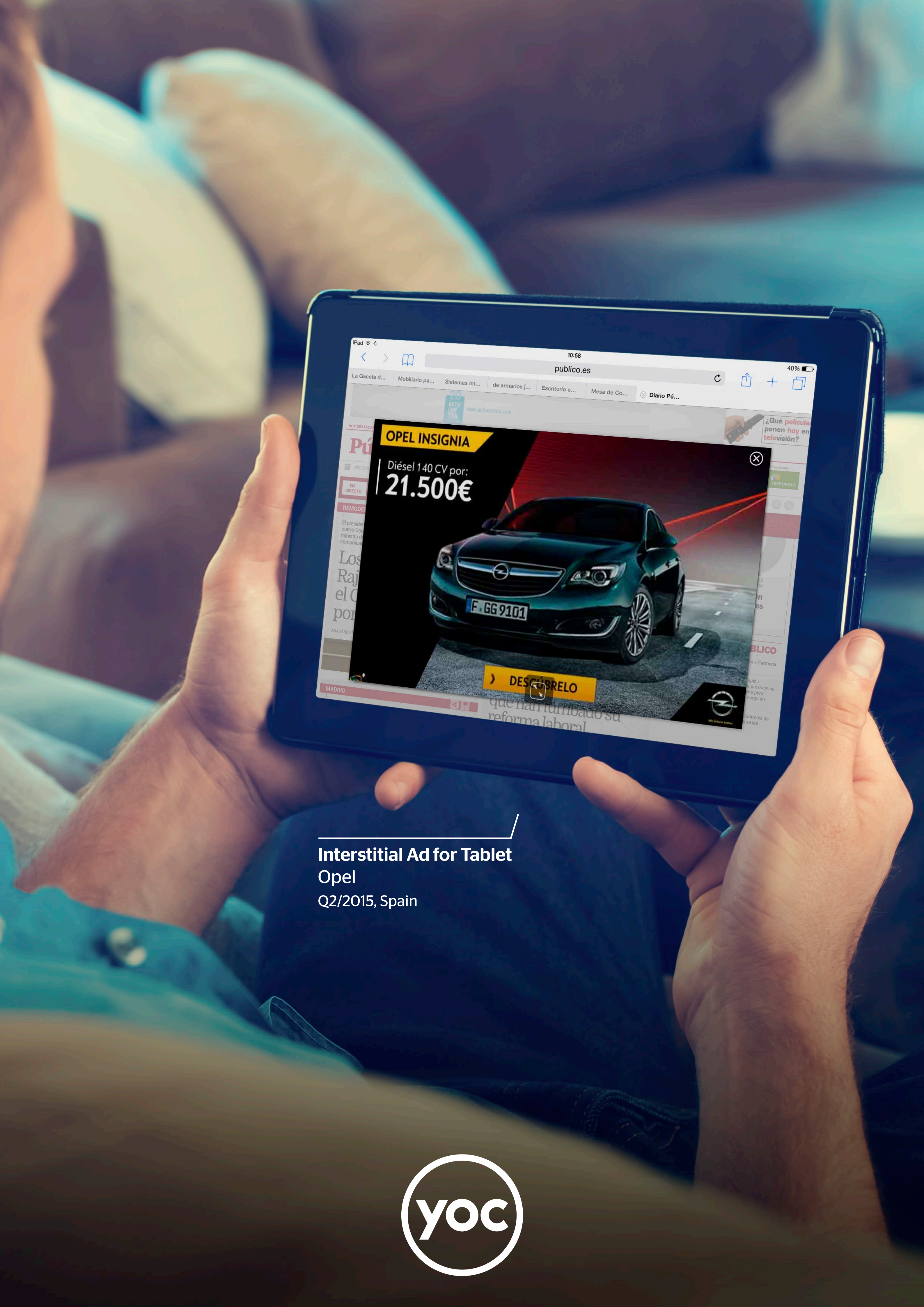
YOC AG share and TecDAX Performance Index developments

Performance of YOC shares and TecDAX Performance Index	YOC AG	TecDAX Performance Index
02/01/2015	2,039	1.382,06
31/12/2015	1,918	1.830,74
Change	-6,02%	+31,81 %

Share price date (in EUR)	2015	2014	Change
Year-end market price	1,92	1,99	-3,52 %
Peak price	3,65	5,20	-29,81 %
Lowest price	1,69	1,60	+5,625 %

Information on the listing

Stock type	Domestic Shares
Trading place	Xetra
Stock exchange segment	Prime Standard
Securities identification number	593273
ISIN	DE0005932735
Number of shares as of 31/12/2015	3.112.473



Interstitial Ad for Tablet
Opel
Q2/2015, Spain

yoc

2

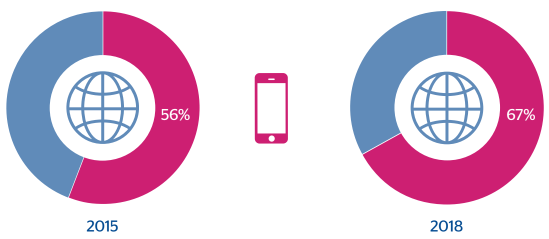
Group Management Report

Mobile Advertising Market Environment

Market penetration of internet compatible mobile devices

The worldwide number of smartphone users is increasing. According to a forecast by ZenithOptimedia (2015b), the market penetration of smartphones came to around 56 % in 2015, building on the 47 leading digital markets. In 2018, around 67 % of the global population is to call a smartphone their own (ZenithOptimedia 2015b). Just how quickly the market penetration is evolving shows when we compare the previous with an emarketer forecast from 2014: At the time it was anticipated that over 25 % of the global population (in absolute numbers: 1.86 billion people) would own an internet-compatible mobile device (emarketer 2014). Basically, the use of smartphones is most widespread in Asia Pacific and Western Europe. Owing to differing growth rates, this is also going to be the case in future (ZenithOptimedia 2015b).

Development of global Smartphone penetration



Source: ZenithOptimedia New Media Forecast 2015

The number of tablets is also increasing - though at a significantly slower pace than in the past years. According to an emarketer study, more than one billion tablet users used their tablet at least once per month (emarketer 2015a). This corresponds to almost 15 % of the world's population. For 2018, they predict nearly 1.5 billion users. The same study states that the growth in tablet user numbers is likely to slow down significantly in future. This is due to a satiated market along with competition from smartphones and increasingly from phablets. The latter are particularly large smartphones, typically with a 5 to 7 inches screen diagonal (emarketer 2015a)..

Mobile internet user behaviour

In financial year 2015, users spent 117 % more time with their mobile device on average as compared to the previous year. The use of phablets alone has increased by 334 % (Flurry 2015). The main reasons for this are the innovative nature of these devices and their convenient use: The user benefits from all advantages of the handy smartphone plus a large display.

Around the world, people who own a mobile device already use the mobile internet over 30 hours per month (Nielsen 2014). The five most common uses are according to Statista: receiving and sending emails (25.6 %), retrieving weather information (23.5 %), loading maps such as Google Maps (19.6 %), viewing videos (14.8 %) as well as consulting reference material (Statista 2016a).

Thanks to the improved adaptation to the device along with an often more convenient handling compared with the mobile browser, users like to spend their time with mobile applications (apps). The so called "app heavy user" segment – users that open an app more than 60 times a day - increased by 59 % in 2015. The larger part of app users worldwide – 985 million people – opens apps 16 times per day (Yahoo 2015).

Influence of mobile internet on consumption

According to Statista, 64 % purchased goods on the internet via their mobile devices (Statista 2016b). Around the globe, 40 % of the entire online trade in 2015 can already be assigned to the mobile segment (Criteo 2015). Comparing the average shopping cart size on different devices clearly shows that the mobile segment still holds potential: While the average shopping cart on stationary devices held a value of EUR 113, on smartphones it held EUR 46 worth of goods. Shopping carts on the tablet are in between at EUR 81 (Statista 2016c). Even so, mobile devices take an important role in the buying process: Around 90 % of all online buyers research their desired product on the smartphone or tablet before buying. Research on the customer journey of a user – the order in which he surfs the internet – shows that most of the time he uses more than one device in the process of buying online. Oftentimes users do research on products via smartphones and tablets, only to buy them on a larger desktop pc later.

Spending on Mobile Advertising

Although the figures stated above prove that mobile internet usage and, with it, the enormous potential of mobile advertising are on the advance, advertising spending in this field is clearly lagging behind. Around the globe, advertising budgets for mobile branding and performance advertising account for around USD 30 billion (own calculation based on emarketer 2015b). This corresponds to merely 6 % of the total advertising spending (own calculation based on ZenithOptimedia 2016). In Germany, EUR 0.2 billion are spent on mobile display advertising which is about 1 % of the total advertising spending (marketing-boerse 2015).

The mobile programmatic advertising segment - the automated media trade of mobile advertising spaces - is still in its infancy. The total value of advertising spaces bought via programmatic trade (mobile and desktop) comes to USD 14.2 billion worldwide. 50 % of these are accounted for by the US American market. The mobile advertising segment accounts for around 25 % of the total programmatic trade (own calculation based on Adzine 2015). According to the forecasts, it is going to increase to between 50 and 60 % globally over the next three years (Adzine 2015).

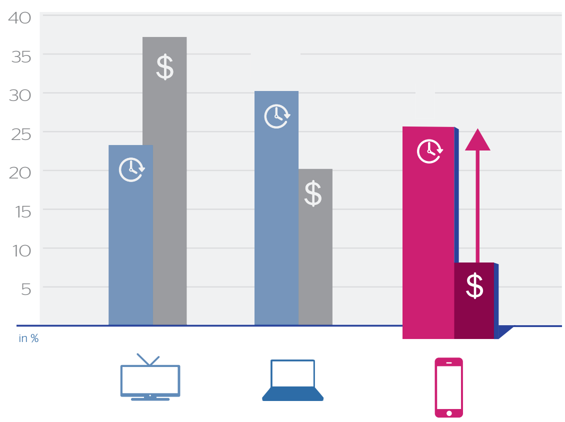
Outlook

Mobile has significantly changed the life of users. Advertising spending in the mobile advertising sector however does not yet adequately reflect the actual user habits.

Rapid changes brought by new technologies and developments constantly pose new challenges for advertisers and publishers: They must assure that they do not overstrain users, that they design creative advertisements and ultimately create genuine added value.

As advertisers and their media agencies follow users into the mobile internet, they adjust their advertising spending: According to a ZenithOptimedia study, expenses in mobile advertising are more and more on the rise. By 2018, this sector is expected to grow by 32 % (ZenithOptimedia 2016). In 2018, already 19 % of advertising spending worldwide is expected to flow into mobile advertising (Horizont 2016). The potential for advertisers and publishers is thus still far from being exploited to the full.

Potential of Mobile Advertising 2015:
Gap between media usage and advertising spendings



Source: Globalwebindex 2015

YOC Product Overview

YOC developed new innovative formats in 2015 in its pursuit to create a special brand experience through cutting edge and user-centered ad formats.

Furthermore Advertisers rely on the proven, creative ad formats by YOC for their wide-ranging campaigns.

The following provides an overview of YOCs new products and bestsellers.

New YOC Mobile Ad Formats

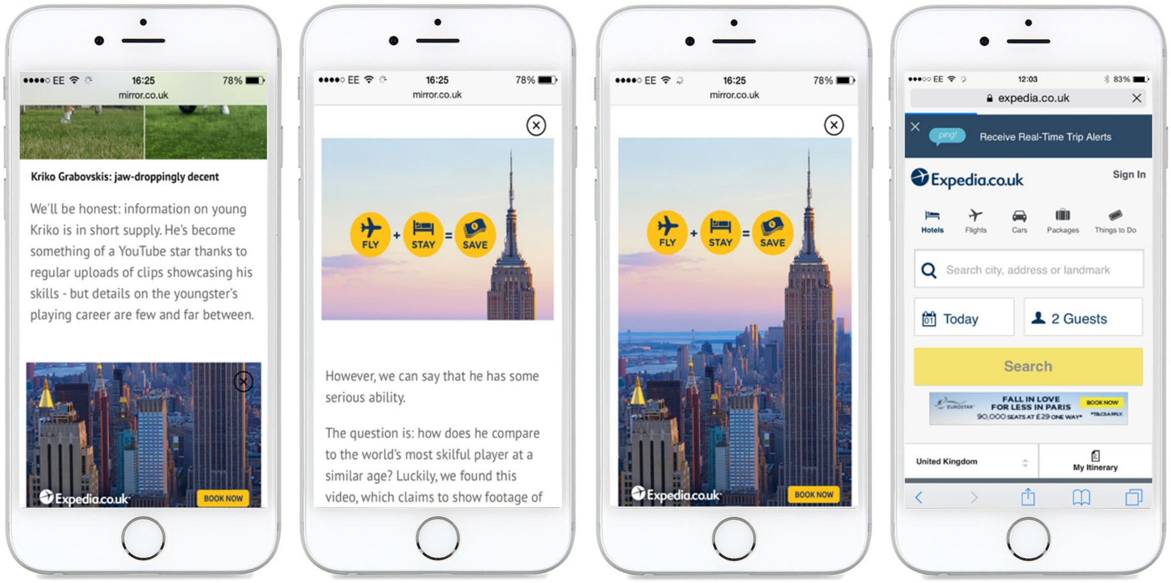
YOC Understitial Ad

YOC Understitial Ad is a new fullscren mobile ad format by YOC, which is directly integrated into the editorial content of a site. By scrolling down the creative is revealed gradually until it is completely visible.

The facts:

- eye-catching fullscreen ad
- unobtrusive inline-embedding
- user-friendly interaction
- No interruption of reading process

YOC Understitial Ad, T-Mobile Austria, Q1-Q2 2015, Austria



YOC Understitial Ad, Expedia UK, Q4/2015, UK

YOC Understitial Video Ad

YOC Understitial Video Ad combines the advantages of eye-catching Mobile Video Ads with the user-centered characteristics of YOC Understitial Ad.

The facts:

- emotional advertising
- integration of video
- unobtrusive inline-embedding
- automatic start-stop

YOC Understitial Video Ad, O2/Telefónica, Q3/2015, Germany

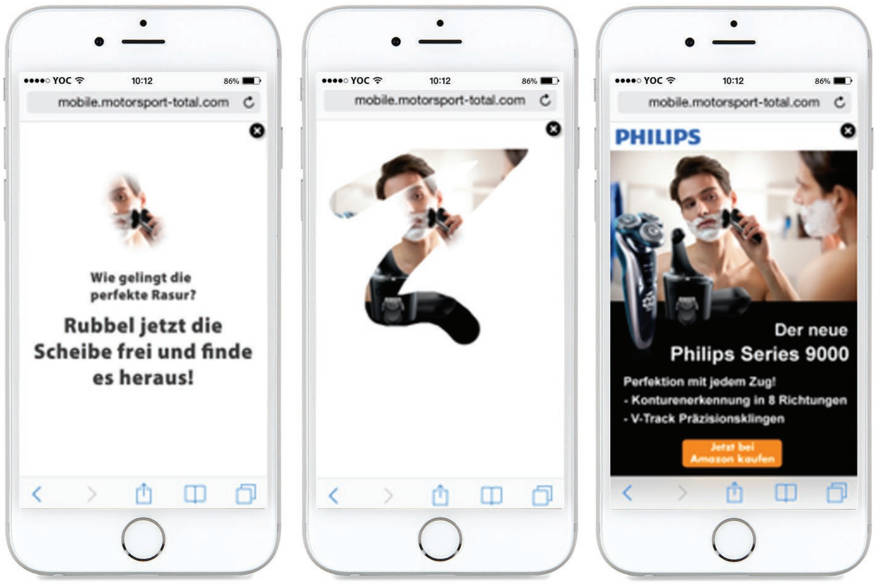
The creative Bestsellers

YOC Mystery Ad

Awarded the Cannes Mobile Lions Gold Award YOC Mystery Ad is an interactive ad format. Creative elements like wiping, shaking and others can be integrated.

The facts:

- high user engagement
- characteristics of a product become perceptible
- varied HTML 5 effects applicable



YOC Mystery Ad, Philips, Q1/2015, Germany

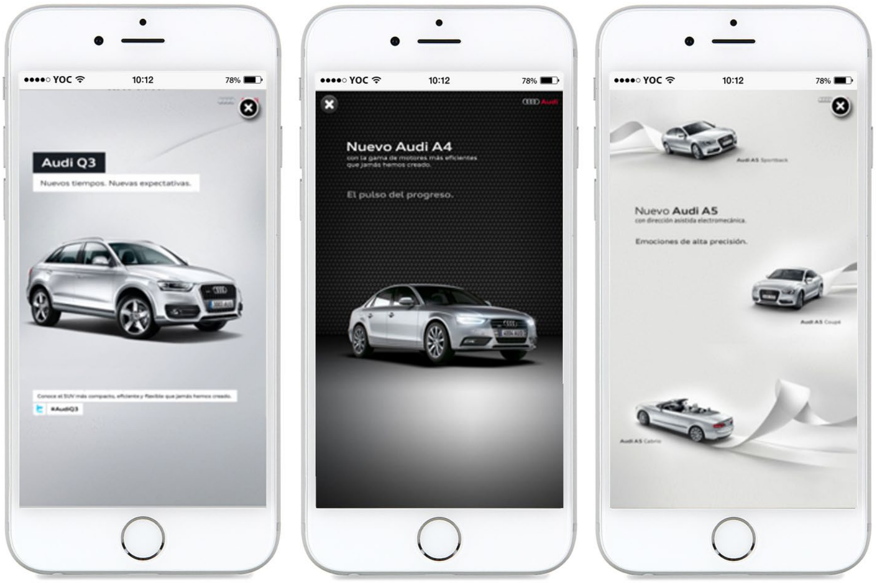
YOC Mystery Ad, Seat , Q3-Q4/2015, UK

Interstitial Ad

An eye-catching fullscreen ad format, which is displayed for users when a mobile website or app is called up.

The facts::

- Fullscreen overlay format
- eye-catching



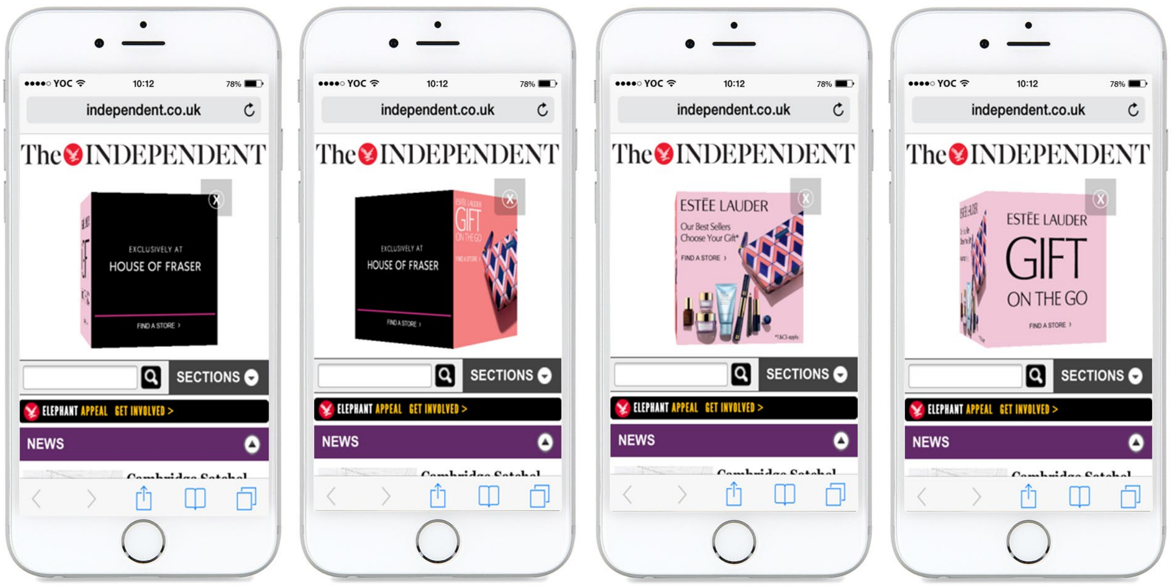
Interstitial Ad, Audi, Q2/2015, Spain

YOC Cube Ad

YOC Cube Ad consists of four images, which are arranged like a cube. The cube rotates about its own vertical axis in a loop.

The facts:

- High user-engagement
- both inlay and overlay arrangement possible
- eye-catching



YOC Cube Ad, Estée Lauder, Q1/2015, UK

Range of Services

YOC is one of the leading independent premium mobile advertising providers in Europe, building on an expertise in this business sector that has grown since 2001. With an available coverage of several billion ad impressions per month, we reach around 100 million mobile internet users worldwide. YOC cooperates with more than 400 well-selected international premium publishers including **Shazam**, **The Telegraph**, **krone.at**, **Tagesspiegel** and **Eurosport** who trust in YOC's technology and marketing expertise based on long-standing successful partnerships.

Through exclusive business partnerships with marketing partners and advertising clients, new successful products and scaled in-house technologies, YOC has become an innovative provider of mobile advertising solutions. Our focus lies on the strategic development of our position as a specialist for mobile advertising in the core markets in Great Britain, Germany, Austria and Spain as well as the Polish market which we entered in February 2016.

Premium monetising for publishers

For app and mobile web publishers from all branches, YOC offers direct access to all relevant media agencies, trading desks and direct customers. In combination with state-of-the-art advertising technologies, we rely on integral monetising strategies for our media partners and thus ensure a sustainable growth of their outreach and advertising income.

YOC Mediation facilitates a high but steady utilisation and attractive cost per mille above market average for our publishers.

YOC Hub is a reporting and analysis tool developed in-house specifically for our publishers. Our media partners are hence equipped to analyse and manage YOC's marketing activities at a glance.

Premium Mobile Advertising for advertisers

Our advertisers benefit from exclusive advertising opportunities with premium publishers. On top of this, the award-winning ad formats developed by YOC in-house offer a strong creative branding effect. YOC Mystery Ad won the Cannes Lion Gold Award in the Mobile category in 2012 and has since been further tailored to the needs of our advertising clients. In financial year 2015, we developed YOC Understitial Ad, a new creative and convertible ad format which is the first to improve the user-friendliness of large-format advertising. By combining pictures, videos or HTML5-content (e.g. interactive elements), YOC Understitial Ad encourages mobile web users to actively engage with a brand or a product, without being intrusive. Another example of the new, interactive generation of YOC advertising formats is the YOC Inline Video Ad which is currently being introduced into the market. Like YOC Understitial Ad, YOC Inline Video Ad can be accounted for by viewability, the latest accounting standard of the digital media industry.

Within the constantly growing mobile targeting market segment (e.g. audience targeting, re-engagement, cross device tracking), YOC offers advertisers an ideal choice of targeting technologies and data in order to reach their envisaged target group in the most effective way.

Mobile Programmatic Advertising

The increasingly important programmatic media trade is a crucial part of YOC's corporate vision, being used ever more frequently to reach the campaign goals of its clients and to open up additional sources of revenue for publishers.

With its trading desk products, YOC reaches a significant range of mobile web users via efficient demand-side-platforms (DSP) for its advertising clients. Our full-service approach makes YOC a reliable partner, offering solid and high-quality campaigns also in this sector.

A special component of YOC's programmatic monetising is setting up and optimising exclusive private marketplaces (PMP). These are platforms on which premium publishers offer their advertising spaces only to a selected group of advertisers who independently fill the advertising spaces by means of programmatic trading. These advertising spaces are then traded in real time. Thanks to the automated ad delivery and predefined conditions, this practice offers the efficient execution of campaign bookings with full transparency on the included inventory.

Mobile Performance Marketing

YOC continuously expanded its portfolio in 2015 and since mid-2015 has extended its field of business from branding advertising to performance advertising. In this area, YOC accumulates a multitude of efficient inventory sources – from direct publishers to international performance networks – in order to successfully realise mobile advertising campaigns with performance-based settlement for national and international advertising clients such as **Deutsche Bahn**, **Trainline**, **L'Oréal**, **vente-privée**, **Scout24 Group**, **UCWeb Inc.**, **Amazon** etc.

For the increasingly significant mobile trade, YOC offers individual mobile performance products in order to win new app users or to optimise an existing user base of an app and to strengthen customer loyalty via the app. Depending on the client's objective, the number of paying customers is increased or inactive users are reactivated.

Business Development YOC Group

In financial year 2015, YOC AG completed the restructuring of the company begun in October 2013. Key elements of this process were the focus on the core competence of mobile advertising, restructuring all business segments, adjustments to the cost structure, filling key positions, reorganising the foreign subsidiaries and numerous financial measures.

The restructuring of all business segments included scaling all business procedures and led to the revenue per employee being improved by 15 % to kEUR 184 (2014: kEUR 159 per employee). Adjustments to the cost structure resulted in a full-year expense of kEUR 6.032 (Personnel and other operating expense; 2014: kEUR 6.854).

Filling key positions through internal resources, returned former employees and targeted recruitment of staff returned concentrated know-how and expertise back to YOC Group. Since 1 January 2015, the company has a second member to the Management Board, Michael Kruse, who is an expert for the new mobile programmatic business segment. The reorganisation of foreign subsidiaries mainly concerned the Spanish and British teams. Following the replacement of the complete Spanish staff in 2014, the branch office step by step re-established itself in the Spanish market in the course of the year 2015. Mid-2015 saw the partial replacement of the British team which is currently still realigning itself.

Upon completion of the restructuring process, the company gained positive equity effects in the amount of EUR 1.4 million along with cash effects in the amount of EUR 2.0 million in the financial year 2015. Those measures include the capital increase from April by means of a private placement of around EUR 0.8 million along with a shareholder loan in the amount of EUR 0.3 million, an out-of-court settlement with a former provider of financial services of the company with a gain of around EUR 0.75 million and achieving the variable purchase price component of around EUR 0.2 million (EUR 0.3 million maximum) from the sale of belboon GmbH (former affiliate marketing segment of YOC Group).

Since the second half of 2015, YOC Group's revenue has been significantly on the rise. In Q4 2015, the company faced 17 % revenue growth year-on-year. Drivers of the incipient growth are product innovations which led to a 33 % increase of the gross margin (2014: 32 %).

International business

In the financial year YOC benefitted from insights gained through its presence in the core European markets along with an increasing range of innovative products and long-standing market expertise since 2001. In addition to its Berlin headquarters and a Dusseldorf branch office, the company has four other branches in Great Britain (London), Spain (Madrid), Austria (Vienna) and Poland (Warsaw).

In particular the German-speaking locations in Austria and Germany developed above average. In Austria, YOC is the market leader. The revenue growth in financial year 2015 results from the high demand for the new ad format YOC Understitial Ad. The German location powerfully represented itself through strong relationships with media agencies and providing new products especially in the fourth quarter.

The sales volume from the Spanish and British subsidiaries which fell short of expectations impeded the company's overall growth. Although the Spanish subsidiary showed 97 % revenue growth after successfully establishing a new team and winning relevant partners (e.g. Shazam), it still failed to live up to the original expectations. In the British market, positive effects from the strategic repositioning begun in the second half of 2015 could not countervail the overall disappointing annual performance.

YOC Mobile Advertising in detail

YOC Group rigorously pursued its strategy to position itself as a mobile premium programmatic provider and continuously increased its revenues from the programmatic media trade. The company pushed its activities ahead in all areas of programmatic media trade.

In the past financial year, the company developed new mobile advertising formats which focus on the user, e.g. YOC Understitial Ad and Inline Video Ad. The video version of YOC Understitial Ad was for example realised together with the telecommunications provider O2 (Telefónica Deutschland). In Austria, T-Mobile as a first-time customer made use of YOC Understitial Ad.

In the past financial year, YOC began to make its internally developed mobile advertising formats available for programmatic media trade. It is our aim to further stand out against competitors in financial year 2016, to extend our outreach and to establish new resources of demand through a platform-based connection.

The international publisher portfolio was further extended over the last year. In Q1 2015, the Austrian and Spanish subsidiaries succeeded in winning Shazam, one of the world's leading mobile apps for music and TV recognition, as a partner. In the current financial year, the Polish branch followed with a likewise exclusive partnership with Shazam.

As YOC was able to continue its ties with premium publishers such as **Der Tagesspiegel**, **Virtual Nights**, **krone.at**, **El Desmarque**, **Kidealia, Trinity Mirror or Evening Standard & Independent** (**ESI Media**) in the German, Austrian, Spanish and British markets, YOC has a stable and attractive range of mobile web users at hand for its advertisers.

During financial year 2015, YOC was once more able to convince numerous international advertisers from various branches of its products. Customers include: **Telefónica, McDonalds**, **Telekom Austria**, **Converse**, **Mercedes-Benz**, **Coca-Cola**, **HUK**, **Escada**, **Orange**, **Opel**, **Nissan**, **Shell**, **Longchamps**, **Dior**, **Ford**, **Deutsche Bahn**, **Google**, **Microsoft** and **Samsung**, among many others making use of YOC's effective mobile advertising products.

Transformation of the business model

Being a premium programmatic mobile advertising provider, YOC Group is a sales-based mobile advertising service provider with automated platforms and technology, and a focus on service and quality.

Under these premises, a change of the business model is in full swing: YOC is continuously expanding its programmatic trade of mobile inventory. In the past financial year, the company was able to connect its programmatic platforms with more and more publishers. Currently, YOC places particular emphasis on its activities in the open market, private auctions and preferred deals sections, in order to make mobile programmatic advertising available for its publishers and advertisers.

In ad exchanges, YOC provides the inventory of publishers from different markets. Advertising formats such as interstitials and banners are available for programmatic purchase here. European YOC publishers such as **Shazam**, **El Desmarque**, **The Telegraph**, **barcoo** etc. are attached to the platforms, and advertisers from different branches use the new platforms for automated media trade. In so doing, the company responds to the drastically changing competitive environment in order to live up to its own ambition to take a leading role in the market.

Meanwhile, the traditional direct trade as a solid cornerstone of YOC is further expanded and enhanced by the new possibilities of the automated, data-driven mobile advertising of today. For mobile targeting purposes, for example, the company holds ready a selection of targeting technologies (e.g. audience targeting, re-engagement, cross device tracking) along with targeting data, in order to reach out to the envisaged target group in the most efficient way.

Further IT infrastructure development and technological integration

YOC has a high-performance IT system landscape and proprietary software products with which it is able to market and deliver special advertising media developed for mobile devices. The underlying technology platforms are developed in-house and are noted for their flexibility, performance strength, reliability and scalability. They have numerous interfaces that facilitate the integration of networked applications. For this purpose, YOC has its own IT departments which manage and further develop the software concerned. The company's own IT infrastructure is enhanced by software solutions by renowned partners from the technology and advertising field such as **SAP**, **Google** or **Salesforce**.

The development of tools for process automation is an important part of YOC's IT services. A flexible and scalable system allows for the combination of various different technologies. Data generated therefrom is used to support the business process and for automation, business intelligence (BI) and controlling purposes. The centralised evaluation of data arisen during business operations helps gaining insights on changes and chances, which enables the company to respond quickly to any circumstances. The improvement of automated processes was a key component of the IT strategy in 2015 and also plays an important role in the current financial year.

Another focus of the IT department was the development of new, innovative advertising formats. With the production of interactive formats, YOC's range of products stands out from comparable competitors and is highly attractive for well-renowned advertisers. The focus was and will further be on securing compatibility with up-to-date automated platforms for media trade and for programmatic advertising.

The database and application servers used by YOC are installed in Berlin and administered by YOC's own IT department. In addition, further servers are operated for security reasons in TÜV-certified data centres and likewise administered by YOC and hosted by external service providers.

Employees

As of 31 December 2015, YOC Group had 52 permanent employees, a 8 % rise as compared to the previous year (2014: 48 permanent employees).

In financial year 2015, YOC was able to attract further top performers as well as win new qualified staff members for key positions. A shortage of specialists was effectively countered by the company.

Development of Profit YOC Group

The company continued to focus on its core business of mobile advertising and has seen a significant upward trend since the second half of 2015.

Due to the separate presentation as discontinued operations pursuant to IFRS 5, the results from business segments sold in previous years or liquidated in the reporting year or in the process of liquidation will not be included in the following explanations (an analysis can be found in section 5 of the Notes to the Financial Statements). The previous year's figures were adjusted for better comparability.

Revenue trend and overall performance

The downward trend reported in previous years was halted, leading to YOC Group recording revenue growth by 7.2 % to EUR 9.7 million (2014: EUR 9.1 million). In particular from Q4 2015 onwards, revenue increased by 17 % year-on-year in the German-speaking markets and also in the other European countries. The successful transformation of YOC Group into a mobile premium programmatic provider improved the company's results of operation on both the revenue and gross profit margin sides.

The company's total output was below the previous year's level at EUR 11.4 million (2014: EUR 12.0 million) which is in large parts attributable to one-time non-operating effects in the previous year in the amount of EUR 1.3 million. In the third quarter of financial year 2015, the company gained extraordinary earnings of EUR 0.8 million in the course of an out-of-court settlement.

Revenue by Region

Revenues in the D-A-CH region increased by 14 % year-on-year (2014: 16 %) to EUR 6.3 million (2014: EUR 5.6 million). Particularly in Austria, YOC was able to seize the opportunities of a growing market due to its prominent market position. The German business showed a positive development, though we were not yet able to exhaust the market potential to the full and to achieve our revenue objectives due to more complex market structures. The introduction of innovative products, however, already led to a significant growth in revenue in the fourth quarter of 2015.

The Spanish subsidiary saw a significant revenue increase following the formation of a new team in 2014. The ambitious revenue goals have not yet been met in financial year 2015, although the steady upward revenue trend over the year affirms a growing recognition and relevance of the YOC products in the Spanish market.

Due to the unsatisfying performance in Great Britain, YOC appointed a new management to the British subsidiary and made the stabilisation on the British market their core objective. YOC successfully recruited industry experts for the British team and, after completing the reorganisation, started into the current year 2016 optimistically.

Altogether, the branches in the rest of Europe show a decline in revenue by 3 % to EUR 3.4 million (2014: EUR 3.5 million), influenced by the restructuring of the British subsidiary.

Gross income

Material expenses increased by 5 % to EUR 6.5 million, slightly disproportionately lower than the trend for revenue (2014: EUR 6.2 million). The gross profit margin increased to 33 % in the year under review due to effects from the transformation to product innovations yielding higher gross profit (previous year: 32 %).

Personnel expenses and personnel development

The average number of employees (without the Management Board) at YOC Group decreased by 7 % year-on-year to 53 (2014: 57 employees).

As of 31 December 2015, YOC Group employed 52 permanent employees (2014: 48 employees).

Personnel expenses lay slightly above the previous year's level at EUR 3.9 million (previous year: EUR 3.8 million). Effects from the decline in the average staff number is by and large neutralised by the expansion of the Management Board as of 01 January 2015.

The increased business volume is reflected in the revenue per employee which increased by 15 % year-on-year to kEUR 184 (2014: kEUR 159). The steady increase in productivity is also visible in a two-year-comparison, showing a 44 % increase (revenue per employee 2013: kEUR 128).

The personnel cost ratio, which sets personnel expenses in relation to total output, increased to 34 % (2014: 32 %). The change results from one-time non-operating effects in connection with the restructuring and reorganisation from financial year 2014.

Other operating expenses

In financial year 2015, other operating expenses were significantly below the previous year's figures at EUR 2.1 million (2014: EUR 3.0 million).

Savings in ongoing operating costs, particularly the rent for new tenancies in all locations, led to a decline by EUR 0.4 million.

In the same period of the previous year, the company recorded expenses within the restructuring process amounting to EUR 0.3 million. These did not occur in the period under review.

A further EUR 0.2 million were incurred through price losses which occurred only to a limited extent in financial year 2015.

On the whole, cost-cutting measures in connection with the company's restructuring in financial years 2014 and 2015 had an effect in various fields, resulting in a significant decline of the ratio of other operating expenses in relation to the total operating revenue from 25 % in the previous year to 18 % in the reporting year.

EBITDA

Operating earnings before interest, tax and depreciation/amortisation remain almost unchanged to the previous year and are still negative at EUR -1.1 million in 2015 (2014: EUR -1.1 million).

Adjusted for non-operating effects of around EUR 0.75 million in the reporting year (earnings from an out-of-court settlement) and EUR 1.0 million in the previous year (various earnings from reorganisation and restructuring measures), the company's EBITDA improved by an overall EUR 0.3 million year-on-year. Thereby, the operating loss adjusted for special effects improved slightly, as expected.

YOC Group's business development was rather moderate in the first nine months of the financial year and characterised by the implementation of the strategical focus on the core business of mobile advertising. The noticeable rise in the fourth quarter of 2015 led to a significantly improved EBITDA for this period, which came to only EUR -0.1 million.

Net income

Earnings after tax (including corporate functions) came to EUR -1.5 million in the reporting period (2014: EUR -1.5 million). YOC Group recorded scheduled depreciation in the amount of EUR 0.3 million (2014: EUR 0.3 million), an almost balanced financial result due to the low level of non-current loan capital, and taxes on income and revenue in the amount of EUR 0.1 million (2014: EUR 0.1 million).

Net income discontinued operations

Results from the deconsolidation of no longer operating subsidiaries as well as from the realisation of the variable purchase price component from the sale of the Affiliate Marketing segment in 2014 reduced profit by a total of EUR 0.1 million (2014: earnings of EUR 4.8 million).

Net income YOC Group

With the effects presented above, the Group ends financial year 2015 with a loss of EUR -1.5 million (2014: profit of EUR 3.3 million).

Development of Financial Position and Net Assets YOC Group

The balance sheet structure is influenced by the business volume which increased in particular during the fourth quarter and which is reflected on the asset side in the rise in trade receivables and other receivables by EUR 0.4 million and on the liabilities side in an increase in current liabilities by EUR 0.1 million.

Non-current assets

The value of non-current assets remained at the previous year's level at EUR 0.7 million as of the **reporting date**.

As of 31 December 2015, **other intangible assets** slightly increased to EUR 0.6 million (2014: EUR 0.5 million). The company's self-developed software item includes the activation of in-house developments worth EUR 0.2 million (2014: EUR 0.3 million). With scheduled depreciation in the amount of EUR 0.2 million, other intangible assets increased by EUR 0.1 million in total.

Property, plant and equipment declined by EUR 0.1 million due to lower investment requirements. In addition, dispensable tangible assets were sold for a profit in the beginning of 2015.

Current assets

Current assets amounted to EUR 3.2 million as of the reporting date (2014: EUR 3.5 million), a EUR 0.3 million decline year-on-year.

Trade receivables increased by EUR 0.4 million to EUR 2.0 million as of 31 December 2015 (2014: EUR 1.6 million). Particularly the increase of receivables in Spain by EUR 0.4 million, resulting from an increased business volume and relatively high payment targets as compared to the other European countries, added to increased trade and other receivables in the Group.

The decline in **other assets** by EUR 0.3 million stems from partially realising the variable purchase price component in the amount of EUR 0.2 million reported in 2014 from the sale of the Affiliate Marketing business segment in June 2014.

Cash and cash equivalents decreased by EUR 0.3 million to EUR 0.9 million (2014: EUR 1.2 million). This is mainly a result of the negative cash flow from the operating business in financial year under review.

Equity

As of 31 December 2015, YOC Group's equity amounted to EUR -2.5 million (previous year: EUR -1.7 million).

On 22 April 2015, YOC AG Management Board and Supervisory Board decided on a capital increase from authorised capital against cash contribution in the amount of 253,973 new shares, excluding subscription rights for existing shareholders. With an issue price of EUR 3.15 per share, the company gained EUR 0.8 million in gross profit.

The annual result of EUR -1.5 million (2014: EUR 3.3 million; positively influenced by the sale of the former subsidiary belboon GmbH) has a counteracting effect, leading to an overall decline by EUR 0.8 million in equity.

The currency translations of the financial statements of the British subsidiary into euros are reflected in the results with no effect on net income, leading to a decline in equity by EUR 0.1 million (2014: EUR 0.2 million). This effect can be attributed to the devaluation of the euro against the British pound at the end of 2015 and recently.

Non-current liabilities

As of the reporting date, non-current liabilities of YOC Group increased by EUR 0.5 million to EUR 0.6 million as compared to the previous year. The increase is due to arrangements with investors concerning non-current loans as an accompanying measure to the capital increase in April 2015 along with a long-term arrangement on a reduction of other financial liabilities in the amount of EUR 0.2 million.

Current liabilities

Current liabilities during the financial year 2015 increased by EUR 0.1 million to EUR 5.8 million (2014: EUR 5.7 million).

Trade liabilities decreased by EUR 0.7 million, while at the same time liabilities for invoices not yet received increased by EUR 0.9 million, resulting in an overall net increase by around EUR 0.2 million.

Due to a rise in business volume, liabilities for value added tax increased by EUR 0.1 million to EUR 0.2 million year-on-year.

Other liabilities include, aside from liabilities for value added tax, mainly obligations from personnel issues in the amount of EUR 0.4 million (previous year: EUR 0.6 million).

Other financial liabilities almost exclusively contain liabilities from invoices not yet received at EUR 3.2 million (previous year: EUR 2.4 million), correlating with the decline in trade and other liabilities.

Cash flow

As of the reporting date, YOC Group's cash and cash equivalents amounted to EUR 0.9 million. The liquidity decreased by EUR 0.3 million as compared to the previous year's reporting date.

The outflow of cash includes the operating cash flow amounting to EUR -1.3 million (2014: EUR -1.9 million), cash outflow from investing activities amounting to EUR -0.1 million (2014: EUR 2.7 million inflow) and cash inflow from financing activities amounting to EUR 1.1 million (2014: cash outflow of EUR 1.1 million).

The operating cash flow of EUR -1.3 million mainly reflects the operating results of the Group before depreciation amounting to EUR -1.1 million (2014: EUR -1.1 million).

The outflow of cash from investing activities in the amount of EUR -0.1 million includes both the EUR 0.3 million in internal development costs made in connection with further developing technological platforms and innovative products and the EUR 0.2 million earnings from the former Affiliate Marketing segment sold the year before. In the tangible assets item, inflow and outflow of cash are balanced.

The EUR 1.1 million cash flow from financing activities results in part from the capital increase in April 2015 from authorised capital against cash contribution in the amount of 253,973 new shares, excluding subscription rights for existing shareholders. With an issue price of EUR 3.15 per share, the company gained EUR 0.8 million in gross issue proceeds.

In addition, the company agreed with some investors on taking out an accompanying loan in the amount of EUR 0.3 million at standard market conditions, maturing mid-2017.

Research and development

Costs for research and development of new products or technological innovations during the financial year 2015 came to EUR 0.4 million in total (2014: EUR 0.6 million).

The company is focusing its product development on the automated trade of mobile advertising spaces in the field of mobile programmatic advertising, the business intelligence tool YOC Hub which provides publishers with real-time information on marketing and optimising as well as on the product YOC Audience which optimises the supply of advertisements through targeting criteria in order to increase the effectiveness of advertising.

For the further growth of YOC Group and for strengthening its market position, it is essential to stay competitive in the field of technology which is why we are pushing forward with improving and developing our products and platforms internally.

Summary of the results of operations, financial position and net assets

The rigorous implementation of the restructuring and strategic reorientation programme is reflected in the increased business volume, resulting in the first revenue increase since financial year 2012 and an initial turnaround.

In sum, YOC Group's operating business showed improved results as compared to the previous year, cost-cutting measures are taking effect and, with business developing as expected, will contribute to further improved results in financial year 2016.

YOC Group's total assets decreased by 6 % to EUR 3.9 million (2014: EUR 4.1 million), influenced by the overall still insufficient cash flow.

Adding to the successful implementation of financing measures in financial year 2015 (the capital increase with an accompanying loan as well as the realisation of the variable purchase price component from the sale of the affiliate marketing segment), the Management Board evaluates further current liquidity measures to cover the capital requirements until the break-even point is reached as is expected in the short to medium term.

Forecast Report YOC Group

Global advertising market

Following the 4 % increase in financial year 2015, the worldwide advertising market is expected to grow by 4.6 % to EUR 513 billion in 2016, according to a forecast by the media agency group ZenithOptimedia (2016). The media specialist views major events such as the Summer Olympic Games in Brazil or the US presidential elections as drivers of this development (ZenithOptimedia 2015).

The media agency network Carat forecasts 3.1 % growth for the financial years 2016 and 2017 in Europe. They see the highest growth potential in Great Britain at 6.2 % (2016) and 5.7 % (2017) (Carat 2016).

In the long term, the market researchers from emarketer expect a rise in global advertising spending to around USD 720 billion by 2019. This is due to the advertising clients' readiness to invest more in advertising as a result of the returning economic stability in many economies. However, North America (so far the largest advertising market) is likely to be overtaken by Asia in the year 2019, according to emarketer (emarketer 2015d).

Advertising spending for traditional media

Altogether, advertising budgets for TV, newspapers and magazines were negatively influenced in 2015 by the increased spending for digital formats such as online versions of magazines and newspapers as well as web videos (emarketer 2015d). TV will, however, remain the medium with the highest turnover both in Germany and internationally with an average annual growth rate of 2.9 % from 2015 to 2017. Its share in the global advertising market was around 42 % in financial year 2015. Printed media in contrast suffered further losses: While magazines lost 3.1 % of their market share, newspapers even declined by 5.7 % (Carat 2016).

Advertising spending for digital media

The growing importance of digital media is supported by the emancipation of video advertising from linear television. Digital platforms like Youtube, Facebook etc. win over the interests of users as they can be consumed anywhere. The largest part of revenues within digital advertising spending is generated by search engine advertising (63 %). In spite of relatively low growth rates it still generates the largest gains when viewed in total numbers. Display advertising remains an important part of digital advertising spending, supported by mobile banner advertising. In financial year 2016, spending on display advertising is expected to rise by 11.6 % (Carat 2016).

The increased spending for programmatic advertising, in particular for campaigns on different channels in online and mobile media, further promotes revenues in digital media. In the current financial year alone, Carat expects 36.4 % higher spending on automated planning, purchasing and managing of advertising budgets. In 2017, the segment is expected to grow further by 28.8 % (Carat 2016).

Mobile Advertising

The major part of growing advertising budgets will be spent on mobile advertising, according to an evaluation by ZenithOptimedia. Spending could increase by up to 32 % per year. If this proves right, mobile advertising would hold a share in digital advertising of almost 50 % as soon as 2018 (ZenithOptimedia 2016).

In financial year 2016, mobile advertising is expected to exceed the newspapers' budgets on a global scale for the first time. For 2017, the media specialists still expect advertising budgets for mobile to stay behind spending for TV ads; in 2018 this is already likely to be reversed (ZenithOptimedia 2015).

Outlook

Following a reasonable revenue growth in Q4 2015, the Management Board is presently focusing in particular on stabilising or repositioning the company's business activities in Great Britain. Due to the unsatisfying development, we pushed forward with restructuring the company which we finalised by filling key positions with new personnel and by agreeing on a strategy that has been tailored for the British market conditions. Our expectations for the current year are optimistic.

In all other markets on which YOC operates (Germany, Austria and Spain), the objectives for Q1 2016 were either met or exceeded.

YOC reckons with a significant growth in sales revenue of at least 15 to 20 % for the financial year 2016, with the cost structure remaining stable, leading to improved operating results. The Management Board still expects a negative overall operating cash flow for financial year 2016, but aims at a point of break-even in the medium term.

As we adjusted our market position in line with the requirements of the industry and expanded our services in the Mobile Performance Advertising segment, stable growth is to be expected in the medium term. The positive economic conditions worldwide support this outlook.

The restructuring of the company to a mobile premium programmatic provider elevates the company to a whole new product level and will, if expectations are met, lead to a stronger market position. Through the expansion in this sector, we expect an increased gross profit margin while at the same time pushing forward the independence from larger co-operations.

This depends on the international branches developing as planned. Investments in innovative technologies and products as well as the automation of internal procedures form part of the company's strategy to strengthen and extend the development that is under way. Based on the developments outlined above, YOC Group expects an improved operative earnings situation for financial year 2016.

To maintain the liquidity position in the outlook period the company is dependent on:

- A realisation of the planned debt and equity financing measures in the first half of 2016, leading to a cash inflow in the amount of kEUR 1.100

- a successful assertion of claims from non-operative business transactions in the next six months,

- the realisation of a significant increase in revenue and a considerable improvement of the operative results and thus achieving the planned business performance

The continuation of the parent company and the Group as a going concern depends on a successful application of the abovementioned measures and the realisation of the planned business performance.

Development of Profit YOC AG

YOC AG, with headquarters in Berlin, is the parent company of all companies included in YOC Group. In addition to corporate functions, YOC AG has been operating a central performance unit for the mobile performance advertising segment since the second half of 2015.

Revenue development and overall performance

In financial year 2015, the company gained revenue through mobile performance marketing services amounting to EUR 0.3 million (2014: EUR 0.1 million).

Other operating earnings added EUR 1.9 million to earnings (2014: EUR 8.1 million). The total output of the company came to EUR 2.2 million in financial year 2015 (2014: EUR 8.2 million).

Through the passing-on of advance costs and a levy for corporate functions expenses for the subsidiaries, the company gained EUR 0.8 million in earnings (2014: EUR 0.6 million).

In the current financial year, YOC AG gained special effects through earnings in the amount of EUR 0.7 million net from an out-of-court settlement with a former financial service provider of the company and EUR 0.1 million from a write-off of time-barred receivables.

In the previous year, one-time special effects of EUR 6.6 million in total had an effect on net income (EUR 2.5 million from the sale of the share in belboon GmbH, EUR 1.2 million from the derecognition of a value adjustment from claims against subsidiaries, EUR 1.1 million from the sale of material receivables, another EUR 1.1 million from the liquidation of the subsidiary Moustik SPRL and EUR 0.7 million from the sale of the mobile technology business segment).

Cost of materials

Costs for services received in connection with the mobile performance marketing business segment which had been set up in mid-2015 included mainly third-party services for client projects/media campaigns, and amounted to EUR 0.3 million.

Personnel expenses and personnel development

As compared to the previous year, the average staff number of YOC AG increased to 12 permanent employees, mainly due to the setup of a central performance unit in Q4 2015 (2014: 10 permanent employees).

As of 31 December 2015, YOC AG employed 16 permanent full-time employees (31 December 2014: 10 permanent employees).

Since 01 January 2015 the company has a second member to the Management Board, Michael Kruse, who is an expert for the new mobile programmatic business segment. Along with the expansion of the Management Board, the increase in permanent staff numbers added to increased personnel expenses at EUR 1.2 million (previous year: EUR 0.8 million).

Other operating expense

In financial year 2015, other operating expenses were significantly below the previous year's figures at EUR 1.7 million (2014: EUR 4.1 million).

Claims waivers granted to the subsidiary YOC France in the amount of EUR 0.3 million and the subsidiary YOC Spain in the amount of EUR 0.2 million had an overall effect of EUR 0.4 million in the reporting year (2014: claims waiver of EUR 1.3 million granted to Sevenval Ltd.).

Expenses for legal, consulting and accounting services decreased by EUR 0.3 million to EUR 0.3 million as compared to the previous year. The significantly higher fees in the previous year can be attributed to the higher consultancy requirements in the course of the company's restructuring.

An agreement was reached with the former subsidiary belboon GmbH, sold in financial year 2014, on the variable purchase price component in the amount of EUR 0.2 million. Due to a claim of EUR 0.3 million recognised in the year before, EUR 0.1 million in expenses were recognised in financial year 2015.

EBITDA

Operating earnings before interest, taxes, depreciation and amortisation came to EUR -1.0 million in 2015 (2014: EUR 3.3 million).

Investment result and financial result

In the financial year under review, the investment and financial result came to EUR -0.3 million (2014: EUR -0.2 million). The result from profit-and-loss transfer agreements came to

EUR -0.8 million in financial year 2015 (2014: EUR -0.1 million). The Austrian subsidiary for the first time distributed EUR 0.3 million in profits to YOC AG in financial year 2015.

The interest result came to EUR 0.1 million in the reporting year. Recognising receivables from interest refunds related with the sold subsidiary belboon GmbH brought YOC AG EUR 0.2 million in profits. This is counterbalanced by interest expenses in the amount of EUR 0.04 million.

Depreciation

Planned depreciation decreased by EUR 0.1 million to EUR 0.1 million in the period under review (2014: EUR 0.2 million).

Net income

The company's net income came to EUR -1,4 million in the reporting period (2014: EUR 2,9 million).

Development of Financial Position and Net Assets YOC AG

As of 31 December 2015, YOC AG's total assets came to EUR 3.5 million (2014: EUR 3.2 million).

The annual deficit amounting to EUR -1.4 million in 2015 resulted in an increase of the annual deficit not covered by equity to EUR 1.0 million (2014: EUR 0.4 million).

Fixed assets

As of 31 December 2015, YOC AG acquired software developed by YOC Mobile Advertising GmbH worth EUR 0.6 million.

For the purpose of strengthening the company's equity, YOC AG realised a capital increase at YOC Mobile Advertising Limited in the amount of EUR 0.4 million and at YOC Spain S.L. in the amount of EUR 0.2 million. The disposal of the liquidated Moustik GmbH resulted in a reduction by EUR 0.2 million.

The total fixed assets increased by EUR 0.5 million to EUR 1.4 million.

Equity

On 22 April 2015, the Management Board and Supervisory Board of YOC AG decided on a capital increase from authorised capital against cash contribution in the amount of 253,973 new shares, excluding subscription rights for existing shareholders. With an issue price of EUR 3.15 per share, the company gained EUR 0.8 million in gross issue proceeds.

Liabilities

Beyond the capital increase, the company agreed with some investors on an accompanying loan in the amount of EUR 0.3 million at standard market conditions, maturing mid-2017.

Investments

The sale of dispensable tangible assets led to EUR 0.1 million in earnings.

Summary of the results of operations, financial position and net assets

YOC AG's business in the field of mobile performance marketing has generated first revenues of EUR 0.3 million since the relaunch in the middle of financial year 2015. The central performance unit on the whole created start-up losses.

The subsidiaries' profit contributions were still overall negative in financial year 2015.

Thanks to the positive development of the Austrian subsidiary, YOC AG for the first time generated a distribution of profit in the amount of EUR 0.3 million from the international branches.

YOC AG produced an overall annual deficit of EUR -1.4 million. Adding to the successfully realised financing measures in financial year 2015 (a capital increase with accompanying debt financing as well as the realisation of the variable purchase price component from the sale of the affiliate marketing business segment), the Management Board evaluates further liquidity measures in order to cover the capital requirements until the point of break-even is reached as is expected in the short to medium term.

Forecast Report YOC AG

The business performance of YOC AG is closely related to that of YOC Group, as YOC AG is a holding within the group and is responsible for the coordination of the group-wide development, sales, services and marketing units.

Economic conditions

Due to the close ties between YOC AG and YOC Group, we kindly refer to the paragraph on economic conditions in the chapter "Forecast YOC Group".

Outlook

The central performance unit, established in mid-2015, is expected to generate multiplied revenue in the mobile performance marketing segment in financial year 2016. In the medium term, the company expects solid growth backed by the positive economic conditions.

The product development unit has been a part of YOC AG since the beginning of financial year 2016 (before: YOC Mobile Advertising GmbH). Along with the setup of the central performance unit, this will lead to a further increase in staff numbers in financial year 2016.

YOC AG expects overall negative operating results for financial year 2016.

The company reckons that the transfer of profits from YOC Mobile Advertising GmbH to YOC AG will add to positive contributions to earnings within the income tax group. For YOC Mobile Advertising GmbH, a double-digit revenue growth is anticipated in the coming financial year.

Owing to the positive results of the Austrian subsidiary in financial year 2015, further positive contributions to earnings from the distribution of profit are planned. For YOC Central Eastern Europe GmbH, a distinct revenue growth in the double-digit percentage range is anticipated.

For the subsidiaries YOC Spain S.L. and YOC Mobile Advertising Ltd., we anticipate revenue growth in the double-digit percentage range for 2016. Both companies are not expected to make positive contributions to earnings in 2016. These two locations are expected to generate positive contributions to earnings and to help improve the results of YOC AG in the medium term.

In the German, Austrian and Spanish markets, the preset goals for the first quarter of 2016 have been either met or exceeded, solely in Great Britain we saw negative deviations from the defined targets.

The company reckons with an overall positive investment result for financial year 2016.

Liquidity planning takes place mainly on group level. This is why we refer to the explanations in the chapter „Outlook" for YOC Group. Owing to the relative size of the parent company as compared to the group, the close interconnections in terms of performance within the group and the centralised treasury functions, the financial position of the group is comparable to that of YOC AG.

On the whole, the further positive development of YOC AG depends, among others, on the successful realisation of the scheduled business development of the central performance unit and the subsidiaries, in particular the international branches, along with the development of corporate functions costs passed on for central services.

To maintain the liquidity position in the outlook period the company is dependent on:

- A realisation of the planned debt and equity financing measures in the first half of 2016, leading to a cash inflow in the amount of 1.1 million EUR
- a successful assertion of claims from non-operative business transactions in the next six months,
- a realisation of a significant increase in revenue and a considerable improvement of the operative results and thus achieving the planned business performance

The continuation of the parent company and thus the group as a going concern depends on a successful application of the abovementioned measures and the realisation of the business performance according to plan.

Opportunities and Risk Report

Principles of risk and opportunity management

YOC Group takes a comprehensive, systematic approach to opportunity and risk management to achieve its goals in this regard. This ensures that the company is able to recognise and diligently seize opportunities without disregard for the associated risks.

A continual development of the opportunity and risk management system to adapt to rapidly changing market and business conditions is the foundation for sustainable growth. To that end, the company consciously takes necessary risks while weighing them against the potential rewards in order to take advantage of market opportunities and exploit the potential for success inherent in them.

A key element of this system is the internal reporting of operational key performance indicators. This provides a means for early detection and assessment of risks and opportunities. The Management Board monitors the implementation of risk control measures and the realisation of opportunities in the operating units.

The appropriateness of the risk management methods and processes used to identify, assess, control, monitor and communicate risks is reviewed at regular intervals and adjusted in response to internal and external developments.

Opportunity management

Our product portfolio, our know-how and innovative capacity enable us to seize the opportunities resulting from our corporate actions and to successfully meet the challenges arising from the abovementioned risks.

Risk management

Market risks and risks of competition

YOC Group is active in a young and rapidly developing market. This environment demands highly flexible procedures and structures. Changes in market and competitive conditions, such as the appearance in the market of a new competitor, are among the risks which YOC Group seeks to anticipate through constant market and company monitoring. In particular the business development department works to ensure that emerging trends and new developments are detected.

Changes in economic factors resulting in declines in orders especially in the advertising sector may also have an impact on YOC Group's development. Given its broad range of products and services and its diversified customer base, YOC Group is well positioned to withstand such developments. The risk of a decline in sales as a result of conditions in the economy as a whole is estimated to be low.

Technological risks

YOC Group pursues a uniform IT strategy which involves constant monitoring and further development of its IT systems. The speed of technological innovation in the market demands a great deal of flexibility and increasingly poses a risk. A large part of the problem is the lack of standards in some areas of the technological environment. Substitutes or products from competitors could weaken YOC Group's competitive position. Technological innovation must therefore be promoted in the interest of long-term success and to strengthen the company's market position. Because of the highly dynamic nature of the market, investments in the development of new products and technologies always bear the risk that such investments will prove to be unprofitable.

When selecting IT systems, YOC Group for the most part chooses industry-specific standard software from reputable providers. The arrangements for information security comprise the implementation of encryption mechanisms, firewalls and virus scanners. Precautionary measures against technical equipment failure have been taken through the parallel operation of technical applications so that client orders are processed smoothly at all times. In addition, backup systems protect the database against a possible loss of data and ensure that it is consistently available.

Financial and treasury risks

YOC Group set up its own treasury function to plan and monitor cash flows. The liquidity management unit helps the Management Board monitor the effectiveness of liquidity support measures by tracking business performance and cash flow fluctuations. Management decisions rely, among other things, on key performance indicators which provide information on the company's capital structure.

The risk of default by debtors is countered by a rigorous accounts receivable management which monitors the age distribution of receivables and manages those whose payment is in doubt.

As of 31 December 2015, the company had cash and cash equivalents in the amount of EUR 0.9 million.

By focussing the business model on mobile advertising, operating results have improved and operating losses were consequently reduced. The operating earnings situation is being further optimised through an increase in revenue and gross profit. As a consequence, liquidity requirements are on a constant decline.

Due to the currently still negative operating cash flow, the Management Board evaluates further measures to improve the liquidity situation. The continuation of the company and the group as a going concern depends on the successful implementation of the measures described in the chapter "Outlook" in the forecast report and on our achieving the set goals for business performance.

Legal risks and liability risks

To avoid legal risks, external lawyers are engaged to review substantial legal transactions. YOC Group protects itself against claims and potential liability risks with a comprehensive insurance cover which is subject to ongoing review. The current directors & officers liability insurance policy protects the management in the event of financial losses to the company.

Neither YOC AG nor one of its subsidiaries was a party in any ongoing or foreseeable judicial or arbitral proceedings in the financial year 2015 that might have a material impact on the financial position of the company or the group. No negative developments are expected for the coming financial year either.

Legislative decisions such as a change in the data protection law also could have a negative effect on YOC Group's business activities. As the financial statements are being drawn up, however, YOC Group is not aware of any plans for legislative changes in the foreseeable future that would significantly affect it.

Personnel risks

The successful development of YOC Group depends on its ability to attract and earn the loyalty of qualified employees. Owing to vigorous growth in the markets of relevance to YOC Group, the labour market for personnel with the required knowledge and experience is extremely competitive. The risk of staff shortages is monitored and avoided with the support of a group-wide staff planning system. Staff development measures and a performance-based remuneration system which is subject to regular review by the Management Board ensure that we remain competitive in the market for personnel. Training and advanced education programmes also guarantee that several key members of staff work in each company segment. Rules on replacement and succession ensure the safeguarding of business procedures and decision-making processes.

Employees who handle confidential information are obliged to comply with the applicable rules and are to deal with confidential information in a responsible manner.

Planning risks

Forecasts for revenue and expenses involve planning risks. Considering the highly dynamic nature of the market, short and medium-term planning is based mainly on estimates and assumptions, particularly with regard to sales forecasts. Regular review of these assumptions allows the Management Board to react to outcomes that diverge from plans and to initiate countermeasures accordingly.

Inspection and Risk Management Report on the Accounting Process

(Sect. 289 Para. 5 and Sect. 315 Para. 2 No. 5 German Commercial Code (HGB))

For both YOC AG and YOC Group, the existing control and risk management system comprises the entirety of all organisational provisions and measures for identifying, assessing and communicating risks and dealing with the risks of entrepreneurial activity. As regards the (group's) accounting process, the internal financial control system is organised and continually developed to ensure that the relevant accounting principles and standards are observed and that the accounts are rendered properly, so that the financial reporting provides a true and fair view of the real circumstances of YOC AG's and YOC Group's net assets, financial position and results of operations.

The Management Board bears all responsibility for the internal control and risk management system as it relates to the (group's) accounting process. All companies covered in the consolidated financial statements are integrated through a defined management and reporting structure. Operational responsibility is vested in the Management Board which is assisted by the management of the accounting department.

We regard the following elements of YOC Group's internal control and risk management system as essential to the (group's) accounting process:

- Procedures for identifying, assessing and documenting all essential business processes and areas of risk relating to accounting, including the associated key controls. These encompass financial and accounting processes along with administrative and operational business processes which generate information that is essential for the compilation of the annual and consolidated financial statements, including the management and group management reports.

- Process-integrated controls (EDP-assisted controls and access restrictions, the dual-control principle, separation of functions, analytical controls).

- Standardised financial accounting processes.

- Ensuring uniform accounting through group-wide guidelines and procedures.

- Regular internal group reporting as well as profit and loss accounting and monthly results reporting, including the analysis and reporting of essential developments and target/performance deviations.

The effectiveness of the (group's) accounting-related internal control and risk management system is reviewed and evaluated through regular preventive control tests. A group-wide reporting system has the task of ensuring that the Management Board and Supervisory Board receive regular and timely information. The Management Board and Supervisory Board are regularly apprised of the current risk situation and the functioning, effectiveness and adequacy of the internal control and risk management system.

In the opinion of the Management Board, the processes, systems and controls in place are a sufficient guarantee that the accounting processes are followed in conformity with the relevant accounting principles.

Information on Shares and Management Board Explanatory Report

Disclosures pursuant to Sect. 289 Para. 4 and Sect. 315 Para. 4 of the German Code of Commercial Law (HGB)

Subscribed capital

As of 31 December 2015, YOC AG's subscribed capital amounted to EUR 3,112,473, divided into 3,112,473 no-par ordinary shares made out to bearer. The shares are not categorised into different classes.

The same rights and obligations are associated with all shares. Each share guarantees one vote at the General Meeting and entitles the holder to a share of the company's profits. Excepted are shares held by the company itself which confer no rights on the company.

Restrictions on voting rights or the transfer of shares

There are no restrictions on the voting rights associated with shares in YOC AG or the transfer of shares in YOC AG.

Ownership interest in capital that exceed 10 % of the voting rights

The following direct or indirect ownership interests in YOC AG capital which exceed 10 % of the voting rights are based on voting rights announcements pursuant to Sect. 21 of the German Securities Trading Act (WpHG) received and published by the company in the financial year 2015 and earlier.

- Mr Dirk Kraus, Frankfurt am Main, indirectly controls ownership interest in the company amounting to 19.5 % of the subscribed capital (equivalent to 607,685 voting rights). Of these, 93,803 voting rights (equivalent to 3.0 % of the subscribed capital) are held by the joint heirs of Hilmar Kraus.

Shares with special rights which confer supervisory powers

There are no shares with special rights which confer supervisory powers.

Type of voting rights control if employees have an ownership interest in capital but do not immediately exercise their supervisory rights

The General Meeting of YOC AG decided on the YOC Management Incentive Programme on 15 July 2009. Under this programme, subscription rights were granted to members of the Management Board and employees of the company in autumn 2009 for the first time. Because the terms for exercising these rights under the YOC Management Incentive Programme have not yet been satisfied, no shares have been transferred yet to the members of the Management Board or the company's employees.

If YOC AG issues shares to employees under the YOC Management Incentive Programme, the shares will be transferred directly to the employees. Like other shareholders, employees so benefitted may exercise the rights their shares afford them in accordance with the provisions of law and the Articles of Association.

Rules for the appointment and dismissal of members of the Management Board and for amending the Articles of Association

The provisions of law governing the appointment and dismissal of members of the Management Board are found in Sect. 84 and Sect. 85 of the German Stock Corporation Act (AktG). Sect. 7 Para. 2 of YOC AG's Articles of Association provides for a consistent regulation.

Pursuant to Sect. 119 Para. 1 No. 5 AktG and Sect. 179 AktG, the Articles of Association can be amended only by a resolution of the General Meeting. Unless mandatory provisions of the law provide otherwise, resolutions of the General Meeting are passed pursuant to Sect. 133 AktG and Sect. 22 Para. 1 of the Articles of Association of YOC AG with a simple majority of the votes cast and, where applicable, with a simple majority of the represented capital. Changes to the business purpose require a 75 % majority of the represented capital according to Sect. 179 Para. 2 AktG;

the Articles of Association do not make use of the right to determine a larger capital majority. Pursuant to Sect. 181 Para. 3 AktG, amendments to the Articles of Association become effective upon entry in the Commercial Register.

The Supervisory Board is authorised to pass amendments to the Articles of Association that concern only the drafting (Sect. 17 of the Articles of Association of YOC AG).

The authority of the Management Board concerning the possibility of distributing or buying shares

Acquisition of own shares

The resolution passed by the General Meeting on 25 August 2015 authorises the company to buy its own shares until 24 June 2020. This authorisation allows shares to be acquired in a volume not exceeding 10% of the share capital existing at the time of the resolution. Other shares in the company's possession or attributable to it according to Sect. 71 et seq. AktG count towards this limit of 10% of the share capital. The details of the authorisation are contained in the invitation to the General Meeting of 25 June 2015 which is available on the YOC AG web page (see agenda item 5 and the related report by the Management Board).

The company held 4,000 of its own shares at the end of the financial year 2015 (equivalent to approximately 0.13 % of the share capital).

Authorised capital

Sect. 6 Para. 5 of the Articles of Association of YOC AG provides for authorised capital 2015/I:

The resolution passed by the General Meeting on 25 August 2015 authorises the Management Board to increase the share capital of the company, on one or several occasions, up to a total of EUR 1,556,236 by 24 August 2020 by issuing new bearer shares against cash contributions and/or contributions in kind with the approval of the Supervisory Board.

The Management Board was also authorised, inter alia, to exclude subscription rights of shareholders under certain conditions subject to the Supervisory Board's approval.

Management Board and Supervisory Board did not make use of this authorisation in financial year 2015.

The details of the authorisation are contained in the invitation to the General Meeting of 25 August 2015 which is available on the YOC AG web page (see agenda item 6 and the related report by the Management Board).

Contingent capital 2015/I

Pursuant to Sect 6 Para. 8 of the Articles of Association of YOC AG, the share capital of the company was contingently increased by up to EUR 1,000,000 by issuing up to 1,000,000 new shares made out to bearer. The contingent capital increase is used to grant shares to bearers or creditors of convertible bonds as well as option right holders from option bonds. The shares are being issued upon the resolution by the General Meeting of 25 August 2015 until 24 August 2020. The contingent capital increase is only realised to the extent that the option bonds and convertible bonds are actually exercised or conversion obligations from such a bond are fulfilled and that no other forms of fulfilment are used to service these rights.

The new shares resulting from the exercise of subscription rights entitle the holder to share in the profits from the beginning of the financial year in which the subscription rights become effective following the exercise of convertible or option rights or the fulfilment of convertible obligations. The Management Board is authorised, subject to the consent of the Supervisory Board, to determine the further details of the implementation of the contingent capital increase.

The details of the authorisation are contained in the invitation to the General Meeting of 25 August 2015 which is available on the YOC AG web pages (see agenda item 7 and the related report by the Management Board).

Contingent capital 2009/I

In accordance with Sect. 6 Para. 7 of YOC AG's Articles of Association, the share capital of the company was contingently increased by up to EUR 175,000 through the issue of up to 175,000 new shares made out to bearer. The contingent capital increase is used to operate the YOC Management Incentive Programme and for the subscription rights issued under this programme. The contingent capital increase is only realised to the extent that those entitled to subscribe exercise their subscription rights. The new shares resulting from the exercise of subscription rights entitle the holder to share in the profits from the beginning of the financial year for which, at the time at which the subscription right is exercised, no resolution of the General Meeting has yet been passed concerning the use of the net income. The Management Board is authorised, subject to the consent of the Supervisory Board, to determine the further details of the implementation of the contingent capital increase.

As of 31 December 2015, subscription rights for 16,000 shares had been issued to former members of the Management Board and subscription rights for 20,000 shares had been issued to former staff members. By the end of the financial year 2015, no subscription rights have been exercised from the entire stock option programme set up in 2009. The exercise prices of the issued subscription rights lie between EUR 7.37 and EUR 27.00. The exercising of subscription rights is not considered likely.

Key agreements of the company that are subject to a change in control resulting from a takeover bid

The company has entered into no essential agreements which are subject to the condition of a change in control resulting from a takeover bid.

Compensation agreements made between the company and members of the Management Board or employees in the event of a takeover bid

The YOC Management Incentive Programme provides that, in the event of a takeover bid for purposes of Sect. 29, 35 of the German Securities Acquisition and Takeover Act (WpÜG), the subscription rights already granted under an option agreement can be exercised by those entitled to subscribe – these being the members of the Management Board and employees of the company – during an additional exercise period on the fifth and ten following stock exchange trading days after the takeover bid is published, provided that the statutory waiting period for the initial exercise of the subscription rights of at least two years is observed.

In the case of a takeover bid before the end of the statutory waiting period of two years, the company will compensate the members of the Management Board with the value of their subscription rights in cash. Corresponding agreements with employees of the company do not exist.

Declaration on Corporate Governance

(Sect. 289a German Commercial Code (HGB); Sect. 315 Para. 5 HGB)

The Declaration on Corporate Governance pursuant to Sect. 289a HGB and Sect. 315 Para. 5 HGB includes the Declaration of Conformity in accordance with Sect. 161 of the German Stock Corporation Act (AktG), relevant information concerning company management practices and a description of the working methods of the Management Board and the Supervisory Board. Declarations pursuant to Sect. 289a Para. 2 No. 4 and 5 HGB are published in the declaration of conformity.

This declaration forms part of the Management Report of YOC AG and Group Management Report of YOC Group for the financial year 2015. According to Sect. 317 Para. 2 Sent. 4 HGB, the information pursuant to Sect. 289a HGB or Sect. 315 Para 5 HGB is not among the information that is subject to an auditor's scrutiny.

Declaration by the Management Board and Supervisory Board of YOC AG in accordance with Sect. 161 Stock Corporation Act (AktG) on the German Corporate Governance Code in the version of 05 May 2015 (Declaration of Conformity 2015)

According to Sect.161 AktG, the Management Board and the Supervisory Board of a listed company must annually declare that the recommendations of the "Government Commission on the German Corporate Governance Code" in the official part of the electronic Federal Gazette published by the German Federal Ministry of Justice were or are complied with, or which recommendations for valid reasons were or are not applied. The declaration must be made publicly available on the company's website.

The German Corporate Governance Code (DCGK) contains provisions, not all of which are equally binding. Aside from descriptions of current company law, it contains recommendations which companies may deviate from, in which case, however, they are obliged to disclose this annually.

According to Sect. 161 AktG, deviations from the recommendations of the DCGK must be justified.

Furthermore, the DCGK contains suggestions which companies may disregard without disclosing that they have done so. The following declaration concerns the period since the last Declaration of Conformity of March 2015, and refers to the requirements of the DCGK in its current version of 05 May 2015.

The Management Board and the Supervisory Board of YOC AG declare that the recommendations made by the "Government Commission on the German Corporate Governance Code" were and are fundamentally complied with in the present and past. The YOC AG Management Board and Supervisory Board also intend to comply with it in the future. Only the following recommendations of the German Corporate Governance Code were and are not applied:

- **Item 3.8 Para. 3 DCGK:** The company is of the opinion that the motivation and responsibility with which the members of the Supervisory Board carry out their duties will not be improved by an insurance excess. The D&O liability insurance serves to safeguard against the company's material own risks and at most serves as a second-line defence of the assets of the members of those bodies. The D&O insurance for the Supervisory Board was therefore taken out without an excess.

- **Item 4.1.5 DCGK:** The appropriate representation of women in the Management Board as well as the two management levels below the Management Board cannot be specified in advance, as the filling of a position is determined by individual qualification.

- **Item 4.2.1 DCGK:** According to item 4.2.1 of the DCGK, the Management Board is to consist of several persons and have a chairman or spokesman. During the financial year 2014, YOC AG's Management Board consisted of one person. Since 1 January 2015, it consists of two members with equal rights. In agreement with the Supervisory Board and Management Board, the group renounces a spokesman or chairman, as a hierarchy within the Management Board is not deemed necessary with respect to the company's size.

- **Item 4.2.2. Para. 2 DCGK:** The Supervisory Board is to consider the relationship between the remuneration of the Management Board and that of senior management and of the staff overall, particularly in terms of its development over time. For this comparison, the Supervisory Board must determine how senior management and the relevant staff are to be differentiated. No explicit differentiation has taken place in order to uphold the economic scope of the different bodies for salary negotiations.

- **Item 5.1.2 Para. 1 Sent. 2 and 3 DCGK:** The Supervisory Board cannot specify an appropriate representation or target figure of women in the Management Board in advance, as Board membership is determined by individual qualification.

- **Item 5.1.2 Para. 2 Sent. 3 DCGK:** No age limit for members of the Management Board has been set by the Supervisory Board. The members of the Supervisory Board are convinced that the suitability for company management depends largely on individual capabilities.

- **Items 5.3.1, 5.3.2 and 5.3.3 DCGK:** As the Supervisory Board of YOC AG has only three members, it would be neither practical nor in accordance with best practice standards to set up committees, particularly an audit committee or nomination committee. The purpose of setting up an audit committee as proposed by the DCGK is to increase the efficiency of auditing. This aim would not be achieved at YOC AG as nearly all members of the plenum would have to sit on the audit committee. Similarly, nearly all plenum members would have to sit on the nomination committee, which would not bring any improvement in the preparation of Supervisory Board recommendations regarding candidates proposed by the shareholders.

- **Item 5.4.1 Para. 2 DCGK:** An appropriate representation of women cannot be specified in advance, as Board membership is determined by individual qualification. No age limit or limit for the length of job tenure has been set for Supervisory Board members. A candidate's ability to monitor and act as a coequal contact for the Management Board as a member of the Supervisory Board depends mainly on individual capabilities.

- **Item 5.4.3 Sent. 2 DCGK:** According to Item 5.4.3 Sent. 2 DCGK, the next General Meeting is to be set as the deadline for an application for the judicial appointment of a Supervisory Board member. To ensure continuity and efficient and productive work in the Supervisory Board, no deadline was set for the application for the judicial appointment of the present Supervisory Board members.

- **Item 7.1.2 Sent. 4 DCGK:** The company will endeavour to comply with the recommendation that the consolidated financial statements be made available to the public within 90 days after the end of the financial year and the interim reports within 45 days after the end of the reporting period, but cannot guarantee that it will do so owing to the large scope of consolidation.

Berlin, February 2016

YOC AG

The Management Board
The Supervisory Board

The declaration has been made permanently available to the public on YOC AG's website (www.yoc.com) under "Investor Relations". Earlier versions of the Declaration of Conformity can also be found there.

Information concerning company management practices

Basic principles

Sustainable economic, ecological and social action is a defining element of the corporate culture at YOC AG. This also includes integrity in dealings with employees, investors, customers, suppliers, authorities, interest groups, other stakeholders and the public.

YOC AG is a stock corporation with its registered office in Germany. Therefore, the formal framework for corporate governance is based on German law, in particular the stock corporation law and the law on capital markets, and in the Articles of Association of YOC AG.

Being a service company, YOC AG depends on its ability to win and maintain the trust of its customers and business partners through exemplary behaviour. The objective is to act in a credible, trustworthy and reliable manner and to convey a corresponding image.

Transparency

A uniform, comprehensive and prompt information policy in relation to employees, investors, customers, suppliers, authorities, interest groups and other stakeholders ranks high in importance for YOC AG.

The aforementioned are all provided with information by YOC AG on a uniform, comprehensive, prompt and simultaneous basis. The business situation and operating results of

YOC AG and YOC Group are reported in the annual report, the mid-year report and the interim reports.

In addition, information is passed on through ad-hoc communications, when the law so requires, and through the company's websites. All messages, presentations and notices, along with the current financial calendar, can be viewed on the company's website (www.yoc.com) under "Investor Relations".

Changes in the composition of the shareholder structure which must be reported (Announcements of Voting Rights, Sect. 21 et seq. WpHG) and the purchase and sale of shares of individuals holding management positions within YOC AG (Directors' Dealings according to Sect. 15a WpHG) also are published by the Management Board.

YOC AG also maintains the required insider registers in accordance with Sect. 15b WpHG. The individuals concerned were and are informed of the legal duties and sanctions.

Risk management

YOC Group is one of Europe's leading mobile advertising providers and as such is exposed to many of the opportunities and risks specific to the sector and the companies. YOC AG has an established, comprehensive and effective system which enables the company to detect, assess, report on and deal with opportunities and risks associated with all functions and business processes at an early stage. The aim of this system is to systematically detect risks at the earliest possible time, assess the likelihood of their occurrence, estimate their potential qualitative and quantitative effects and initiate effective countermeasures. Risk management is regularly discussed and further developed at Management Board and Supervisory Board level.

Further information on the company's risk management, the specific risks to which the company finds itself exposed and the accounts-related internal control and risk management system can be found in the risk report that forms part of the company's group management report.

Description of the operating principles of the Management Board and Supervisory Board

Being a German stock corporation, YOC AG is subject to the German Stock Corporation Act. A dual management system is therefore required by law. The Management Board and Supervisory Board have autonomous powers but collaborate closely and in confidence in the discharge of their statutory duties.

Management Board

The Management Board has sole responsibility for the management of the company. It has a duty to act in the interest of the company and is committed to the sustainable development of the company. The Management Board responsibilities include determining the company's strategic direction in consultation with the Supervisory Board and managing the business of the company. The Management Board manages the company's business in accordance with the relevant laws, the Articles of Association and its Rules of Procedure. The members of the Management Board bear joint responsibility for corporate governance, work together cooperatively, and keep each other regularly informed of important actions and events in their business areas. Notwithstanding the joint responsibility of all members of the Management Board, each member manages the business area assigned to him, apart from those matters that must be decided by the Management Board as a whole, on his own responsibility. More detailed rules are set forth in the Rules of Procedure enacted by the Management Board with the Supervisory Board's approval. The members of the Management Board are appointed by the Supervisory Board.

The term of office served by Management Board members must not exceed five years. Management Board members may however be appointed more than once. The Supervisory Board may appoint a member of the Management Board as chairman of the Management Board. Mr Dirk Kraus has been appointed to the Management Board of YOC AG effective 10 September 2013. Mr Michael Kruse has been appointed to the company's Management Board effective 1 January 2015. The Management Board does not have a chairman.

The Management Board reports to the Supervisory Board regularly, promptly and completely on key issues relating to the Group's business development, strategy and planning, risk situation and compliance. It also confers with the Supervisory Board before all important strategic decisions. Management Board meetings are usually held every two weeks to coordinate their actions. In addition, the Management Board regularly confers with the members of the company's second management tier. The Management Board has not formed any committees.

Supervisory Board

It is the duty of the Supervisory Board to advise and supervise the Management Board. It is involved in strategy and planning and in all issues which are of fundamental importance to the company. Important decisions by the Management Board are subject to its approval. This includes the corporate planning for the year ahead prepared by the company once a year (the budget), which is submitted to the Supervisory Board by the Management Board, discussed with the Supervisory Board and adjusted as needed. The Supervisory Board also assigns the audit mandate to the auditor appointed by the General Meeting. The Supervisory Board holds at least four meetings per year.

The YOC AG Supervisory Board consists of three members, none of whom were previously on the company's Management Board. The Supervisory Board is elected by the General Meeting. The Supervisory Board has not formed any committees.

The working practices of the Supervisory Board are set out in the Rules of Procedure. Resolutions of the Supervisory Board are usually passed in face-to-face meetings. In addition, meetings may be held and resolutions passed through written communication, by telephone or telex, or with the aid of other means of telecommunication. The company's Management Board attends the meetings regularly, and other members of the company's extended management are also invited to attend as needed. The first face-to-face meeting of the year to be held after the preparation and auditing of the annual financial statements (the "statement of financial position meeting") is attended also by the company's auditors who present their report of the completed audit to the Supervisory Board.

The agenda and proposed resolutions for the Supervisory Board meetings are communicated to all participants in writing sufficiently well in advance of the meetings. When decisions are necessary at short notice, they may be made by the written circulation procedure. All meetings of the Supervisory Board are recorded in writing.

The chairman of the Supervisory Board annually explains the activities of the Supervisory Board at the General Meeting and in his report to the shareholders, which is printed in the company's Annual Report.

Specifications promoting the equal participation of women and men in leading positions

The "Law for the equal participation of women and men in leading positions in the private and public sectors" for the first time obligates the Management Board and Supervisory Board of certain German companies to determine target figures for the proportion of women on the Supervisory Board, Management Board and the following two levels of management and to define by when the respective proportion of women is to be achieved.

The companies were obliged to resolve on their target figures and set a deadline by 30 September 2015. The deadline for reaching the target figure was to be set as no later than 30 June 2017 in the first specification.

Representation of women on the Supervisory Board

The Supervisory Board of YOC AG presently includes no women. As the term of office for the current members of the Supervisory Board ends in 2018 and neither an expansion of the Supervisory Board nor resignations are intended, the Supervisory Board of YOC AG resolved that the status quo of women representing the Supervisory Board is to be maintained as of the appointed date of 30 June 2017 and a target figure of 0 % to be aspired.

Representation of women on the Management Board

The Management Board of YOC AG presently includes no women. As the term of office for the two current members of the Management Board ends in 2017 and neither an expansion of the Management Board nor resignations are intended, the Supervisory Board of YOC AG resolved that the status quo of women representing the Management Board is to be maintained as of the appointed date of 30 June 2017 and a target figure of 0 % to be aspired.

Representation of women in the two levels of management below the Management Board

The Management Board of YOC AG resolved that by 30 June 2017 at least 20 % of the positions within the first level of management below the Management Board shall be held by women. The first level of management below the Management Board corresponds with the level of directors. As of 31 December 2015 no directorship was held by a woman.

With the same deadline, at least 20% of the positions within the second level of management below the Management Board shall be held by women. The second level of management below the Management Board includes the "Head of" level. As of 31 December 2015, 40 % of these positions were held by women.

Berlin, August 2015

YOC AG

The Management Board
The Supervisory Board

Remuneration Report

The Remuneration report is based on the "Recommendations of the German Corporate Governance Code". It summarises the principles which are applied in setting the remuneration of the Management Board of YOC AG and explains the amount and structure of the Management Board members' income. It also describes the principles according to which the Supervisory Board members are remunerated and the amount of their remuneration.

The Remuneration report further contains particulars which, under German commercial law, must be included as part of the notes to the consolidated financial statements pursuant to Sect. 314 HGB [German Commercial Code] and the Group Management Report pursuant to Sect. 315 HGB.

Remuneration of the Management Board

The Supervisory Board is responsible for setting the Management Board's remuneration. In doing so, it considers the company's size and activities, the company's economic and financial position, the duties of the Management Board member in question and, for comparative purposes, the amount and structure of management board remuneration elsewhere in the industry. Management Board remuneration is performance-based. Remuneration is designed to be competitive in the market for highly qualified management personnel and to offer an incentive for successful performance.

It is generally comprised of a fixed basic remuneration amount plus a variable component.

- The basic remuneration is cash remuneration in a fixed amount for the year as a whole which is specific to the Management Board member's area of responsibility and is paid out in twelve monthly instalments.

- The variable component consists of cash remuneration as profit-sharing on YOC AG's results of operations according to IFRS (EBITDA) and is subject to an upper limit. In the reporting year, no variable remuneration components were paid.

- With the participation in the phantom stock option programme set up in 2014, members of the Management Board selected by the Supervisory Board receive phantom stock options. The phantom stock option programme simulates a share option programme with an actual share in the company's equity capital by the beneficiaries. Other than in a stock option programme with "actual" stock options, the exercising of phantom options does not authorise to subscribe to company shares, but rather entitle the holder to claim a certain amount of money in cash from the company as further defined in the option terms and conditions. The phantom options do not give the holder any participation rights in the company under commercial law, in particular no share-based claim to rights of information or participation, voting rights or participation in net profit.

Remuneration Management Board 2015 (in kEUR)

	short-term benefits		
Name	**Fixed compensation*** (in kEUR)	**Variable compensation** (in kEUR)	**Phantom stock options granted in 2014** (in units)
Dirk Kraus	210	0	40,000
Michael Kruse	160	0	0
Total	**370**	**0**	**40,000**

*including contractual fringe benefits

In financial year 2015, kEUR 370 of the ongoing Management Board remuneration were cash-effective.

The Management Board members together hold 40,000 phantom stock options at their fair value of EUR 1.45 each.

Remuneration of the Supervisory Board

Supervisory Board remuneration was set by the General Meeting of YOC AG on the basis of a proposal by the Management Board and Supervisory Board.

Supervisory Board remuneration is fixed at kEUR 12.5 for one financial year. The chairman of the Supervisory Board receives twice this amount and the deputy chair 1.5 times this amount. For each face-to-face meeting of the Supervisory Board, each member of the Supervisory

Remuneration Supervisory Board 2015 (in kEUR)

Name	Fixed com-pensatio	SAtten-dance allowance	Total
Dr. Nikolaus Breuel (Supervisory Board chairman)	21	10	31
Konstantin Graf Lambsdorff	16	7	23
Sacha Berlik	11	5	16
Total	**48**	**22**	**70**

Board receives the amount of kEUR 1.0; the chairman of the Supervisory Board receives twice that; and the deputy chair 1.5 times that amount.

No remuneration was granted for personally rendered services apart from the board activities, particularly for any consulting or referral services.

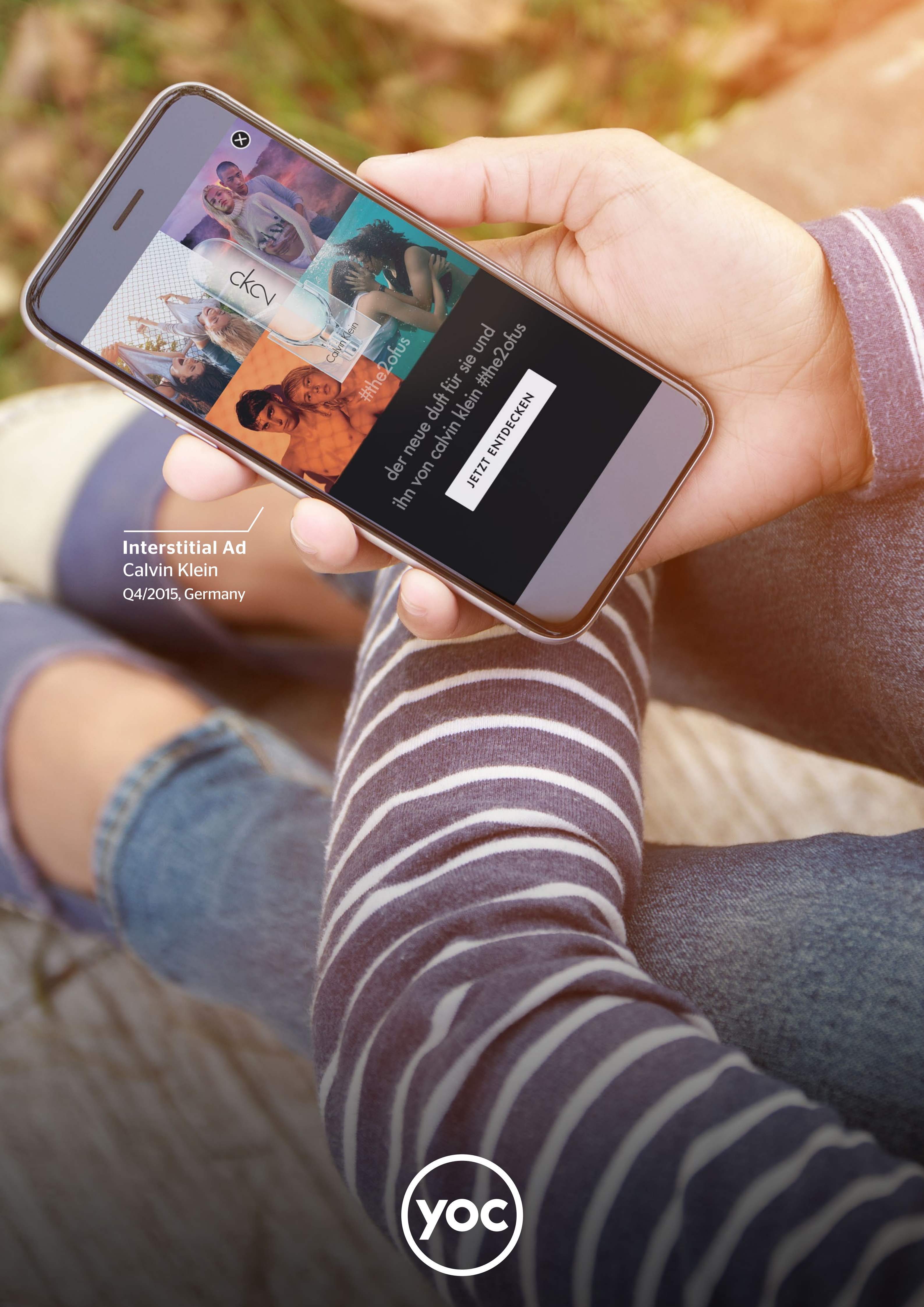
Events after the Statement of Financial Position Reporting Date

No events occurred after the reporting date which might have had a significant effect on net assets, financial position and results of operations.

Berlin, 17 April 2016

The Management Board

Dirk Kraus　　　　Michael Kruse



Interstitial Ad
Calvin Klein
Q4/2015, Germany

3

Consolidated Financial Statements

and information on the Management Board and Supervisory Board

Consolidated Statement of Comprehensive Income

Consolidated Income Statement (in EUR)	**Note #**	**2015**	**2014** (adjusted)
Revenue	6.1	9,734,615	**9,082,723**
Own work capitalised	6.2	229,646	268,135
Other operating income	6.3	1,467,579	2,615,353
Total output		11,431,840	**11,966,211**
Expenses for goods and services	6.4	6,503,885	6,170,052
Personnel expenses	6.5	3,921,730	3,807,056
Other operating expenses	6.6	2,110,489	3,047,445
EBITDA		-1,104,264	**-1,058,342**
Depreciation and amortisation expenses	7.1/7.2	275,676	307,445
EBIT		-1,379,940	**-1,365,787**
Financial income	6.7	470	811
Financial expenses	6.7	21,268	45,469
Financial result		**-20,798**	**-44.658**
EBT		-1,400,738	**-1,410,445**
Income taxes	6.8	60,632	118,778
Net income continuing operations		**-1,461,370**	**-1,529,223**
Net income disontinued operations		-52,669	4,821,025
Net income		-1,514,039	**3,291,803**
Earnings per share			
Earnings per share basic	6.9	-0,49	1,15
Earnings per share diluted	6.9	-0,49	1,15
Earnings per share continuing operations			
Earnings per share basic	6.9	-0,47	-0,54
Earnings per share diluted	6.9	-0,47	-0,54

Consolidated statement of comprehensive income (in Euro)	**Note #**	**2015**	2014
Net income		-1,514,039	**3,291,803**
Net other comprehensive income to be reclassified to profit or loss in subsequent periods			
Unrealised gains from foreign currency translation	6.11	-110,103	-209,840
Total other comprehensive income		-110,103	**-209,840**
Total comprehensive income		-1,624,142	**3,081,963**

Consolidated Statement of Financial Position

Consolidated statement of financial position (in EUR)	**Note #**	**31/12/2015**	31/12/2014
ASSETS			
Non-current assets		**674,364**	**650,071**
Property, plant and equipment	7.1	76,804	144,765
Intangible assets	7.2	595,561	501,854
Deferred tax assets	6.8	1,998	3,452
Current assets		**3,193,505**	**3,484,598**
Trade receivables	7.3	1,992,832	1,610,764
Other receivables	7.3	330,686	641,381
Tax assets	6.8	0	28,729
Cash and cash equivalents	7.4	869,986	1,203,724
Total assets		**3,867,869**	**4,134,669**
EQUITY AND LIABILITIES			
Equity		**-2,514,712**	**-1,650,250**
Subscribed capital	7.5	3,112,473	2,858,500
Additional paid in capital	7.5	20,380,508	19,902,539
Retained earnings	7.5	-25,706,515	24,220,215
Other comprehensive income from currency translation differences	7.5	-250,858	-140,755
Own shares	7.5	-50,319	-50,319
Non-current liabilities		**556,886**	**64,828**
Provisions	7.6	76,886	64,828
Other financial liabilities	7.7	480,000	0
Current liabilities		**5,825,695**	**5,720,091**
Prepayments received	7.7	49,411	9,300
Trade payables	7.7	1,790,458	2,520,603
Other liabilities	7.7	687,020	771,153
Other financial liabilities	7.7	3,250,131	2,395,870
Tax liabilities	6.8	48,675	23,165
Total equity and liabilities		**3,867,869**	**4,134,669**

Consolidated Cash flow Statement

Consolidated cash flow statement (in EUR)	Note #	2015	2014 (adjusted)
Net income continuing operations		-1,461,370	-1,529,223
Net income discontinued operations		-52,669	4,821,025
Depreciation, amortisation and impairments		276,543	355,759
Taxes recognised in the income statement		60,632	111,211
Interest recognised in the income statement		20,798	44,149
Other non-cash income and expenses		370,083	-1,373,287
Deconsolidation result		37,816	-4,223,264
Foreign currency translation differences from equity		0	36,604
Cash-Earnings		-748,167	-1,757,025
Result from disposal of assets		-47,656	-124,332
Changes in receivables and other receivables		-380,461	1,545,518
Changes in liabilities, prepayments and other liabilities		-100,879	-1,524,239
Changes in provisions		12,058	-9,437
Interest received		470	1,320
Interest paid		-7,726	-43,219
Income taxes paid		-22,690	-8,573
Cash flow from operating activities	8.1	-1,295,051	-1,919,987
Disposal of business units		160,000	2,794,245
Purchase of property, plant and equipment		-44,088	-44,257
Purchase of intangible assets		-293,409	-410,109
Sale of fixed assets		78,630	318,337
Cash flow from investing activities	8.1	-98,866	2,658,216
Inflows from capital increases		800,015	0
Transaction costs related to issuance of new shares		-39,837	0
Repayment of liabilities under finance lease		0	-36,444
Repayment of loans		0	-1,503,851
Issuance of loans		300,000	1,474,704
Cash flow from financing activities	8.1	1,060,179	-65,591
Net increase / decrease		-333,738	672,637
Cash and cash equivalents at the beginning of the period	8.2	1,203,724	531,087
Cash and cash equivalents at the end of the period	8.2	869,986	1,203,724

Consolidated Statement of Changes in Equity

Consolidated statement of changes in equity (in EUR)	Note #	Subscribed capital	Additional paid in capital	Retained earnings	Other comprehensive income from currency translation differences	Own shares	Total
as of 01/01/2014		2,858,500	20,226,168	-27,781,828	69,085	-50,319	-4,678,394
Net income				3,291,803			3,291,803
Currency translation differences	6.11/ 9				-209,840		-209,840
Comprehensive income		**0**	**0**	**3,291,803**	**-209,840**	**0**	**3,081,963**
Stock option programme	7.5/ 9		-323,629	269,811			-53,818
as of 31/12/2014		2,858,500	19,902,539	-24,220,215	-140,755	-50,319	-1,650,250
Net income				-1,514,039			-1,514,039
Currency translation differences	6.11/ 9				-110,103		-110,103
Comprehensive income		**0**	**0**	**-1,514,039**	**-110,103**	**0**	**-1,624,142**
Issuance of subscribed capital	7.5/ 9	253,973	546,042				800,015
Transaction costs including tax benefits	7.5/ 9		-39,837				-39,837
Stock option programme	7.5/ 9		-28,236	27,738			-498
as of 31/12/2015		3,112,473	20,380,508	-25,706,515	-250,858	-50,319	-2,514,712

No shares are held by non-controlling shareholders

Notes

1. General Information about the Company

YOC AG, with headquarters at Greifswalder Str. 212, Berlin, Germany, is an international provider of Mobile Advertising.

YOC AG is listed in the Prime Standard of the Frankfurt Stock Exchange under the identification number WKN 593273 / ISIN DE 0005932735.

The consolidated financial statements of YOC AG as of 31 December 2015 have been prepared pursuant to Sect. 315a of the German Commercial Code (HGB) in accordance with the principles of the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), London, United Kingdom, and with the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as applicable in the European Union (EU) as effective on the reporting date.

The consolidated financial statements of YOC AG conform to the IFRS as mandatory in the European Union from 01 January 2015.

The consolidated financial statements provide a fair presentation of the company´s net assets, financial position and results of operations.

The Management Board of YOC AG prepared the consolidated financial statements and authorised their submission to the company's Supervisory Board on 17. April 2016.

2. Application of new or amended standards

2.1 Standards and interpretations to be applied in the current financial year

The following new or revised standards or interpretations were applicable for the first time in financial year 2015:

- **IFRIC 21 – Levies: Guidelines on the accounting for levies imposed by a government, governmental agency or similar body** has no impact on the company. This interpretation is to be applied for the first time for financial years beginning on or after 17 June 2014. There is no case of application for YOC AG.

- **Improvements to IFRS (2011-2013)**

The Improvements are a collective standard dealing with changes in various IFRS. The Improvements are to be applied for the first time for financial years beginning on or after 1 July 2014. There is no impact on YOC AG's financial statements.

2.2 Published standards and interpretations whose application is not yet mandatory

The following new and revised standards and interpretations which are not yet mandatory in financial year 2015 but have already been recognised as part of the EU endorsement process will probably not have a significant impact on YOC Group's consolidated financial statements:

Title	Temporal Scope	Application for YOC	Impact on financial statements expected?
IFRS 9 Financial instruments	01/01/2018	under examination	under examination
IFRS 15 Revenue from contracts from customers	01/01/2018	yes	under examination
IFRS 16 Leases	01/01/2019	under examination	under examination
IFRS 14 Regulatory deferral accounts	01/01/2016	no	n/a
Amendment of IFRS 10 and IAS 28 - Sales or contributions of assets between an investor and its associate / joint venture	01/01/2016	no	n/a
Amendment of IAS 27 – Equity-method in seperate financial statements	01/01/2016	no	n/a
Amendment of IAS 16 and IAS 41 – Bearer plants	01/01/2016	no	n/a
Amendment of IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortisation	01/01/2016	under examination	under examination
Amendment of IFRS 11 – Joint arrangements	01/01/2016	no	n/a
Amendment of IAS 19 – Employee contributions	01/02/2015	no	n/a
Amendment of IFRS 10, IFRS 12 and IAS 28 – Investment entities: Applying the consolidation exception	indefintite by postponed	no	n/a
Amendment of IAS 1 - Presentation of financial statements	01/01/2016	under examination	under examination
Annual improvements of IFRS (Cycle 2010-2012)	01/02/2015	no	n/a
Annual improvements of IFRS (Cycle 2012-2014)	01/01/2016	under examination	under examination

On 24 July 2014, the IASB published the final Standard **IFRS 9** Financial Instruments (IFRS 9 [2014]) which contains the results of all stages of the IFRS 9 project and replaces both IAS 39 Financial Instruments: Recognition and Measurement and all earlier versions of IFRS 9 Financial Instruments. The standard contains new provisions on classification and measurement, on impairment and hedge accounting. IFRS 9 is to be applied for the first time for the financial year beginning on or after 01 January 2018. The standard has not yet been adopted by the EU. The implications of these new regulations are being analysed by the group. The present status of analysis does not allow for a statement on probable implications of the amended regulations for net assets, financial position and results of operation.

IFRS 15 has been published in May 2014 but has not yet been adopted by the EU. It is to be applied for the first time for the financial year beginning on or after 01 January 2018. An early application of the standard is permitted. The standard is to be applied retrospectively. It introduces a new model to recognise revenue in five analytical steps which shall be applied to all revenues from contracts with customers. The core principle of the standard is that a company shall recognise revenue at the time of transfer of goods or services to customers in the amount of the return which the company may expect in exchange for the transfer of these goods or services. The basic principles in IFRS 15 offer a structured approach to evaluate and recognise revenue. The standard is to be applied in all kinds of companies across all branches and thus replaces all other existing regulations regarding revenue recognition (IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services). Application of the new standard requires more valuations and arbitrary decisions as compared to the standards that currently apply for revenue recognition, as the amount of revenues to be recognised is determined by the amount of the return which the company may expect in exchange for the transfer of goods or services. Particular challenges may arise especially in the case that a return is variable. The implications of these new regulations are being analysed by the group. The present status of analysis does not allow for a statement on the probable implications of the amended regulations for net assets, financial position and results of operation.

The Management Board of YOC AG assumes that the abovementioned standards and interpretations will be applied, if cases of application occur, in the consolidated financial statements of the financial year in which they become mandatory.

3. Consolidation

3.1 Consolidation principles

The consolidated financial statements include those companies which YOC AG controls. Control of an investee is considered to exist when the Group is exposed, or has rights to, variable returns from its involvement with the investee, and is able to apply its power of disposition over the affiliated company to affect those yields.

The inclusion of subsidiaries in the consolidated financial statements begins from the date on which YOC AG achieves control over the subsidiary. It ends at the time at which control of the subsidiary is lost.

The separate financial statements of the consolidated companies are prepared as of the reporting date of the consolidated financial statements.

Intra-group earnings and expenses as well as intercompany assets, liabilities and equity capital are eliminated in full.

3.2 Consolidated companies

The companies of YOC Group that were consolidated as of 31 December 2015 are as follows:

Fully consolidated companies		Share in %	Held through Nr.	since
Domestic				
1	YOC AG, Berlin	-	-	-
2	YOC Mobile Avertising GmbH, Berlin	100%	1	11/03/09
Foreign				
3	YOC Mobile Advertising Ltd., London, Great Britain	100%	1	01/01/07
4	YOC Central Eastern Europe GmbH, Vienna , Austria	100%	1	01/06/09
5	YOC Spain, S.L., Madrid, Spain	100%	1	22/09/09

The subsidiary Moustik GmbH, Berlin, was liquidated in December 2015 due to the discontinuation of the operating business, and deconsolidated with the submission of the closing balance as of 30 September 2015.

The subsidiary YOC France SAS, Paris, France is under liquidation due to the discontinuation of the operating business. The deconsolidation has taken place based on the closing balance as of 31 December 2015.

Both liquidations are not expected to generate significant effects for the Group's net assets, financial position and results of operation.

4. Accounting and measurement principles

4.1 General principles

YOC AG functions as the parent company of the group and directly holds a 100% interest in all of the companies in the YOC Group. The financial year for all subsidiaries coincides with the calendar year.

The consolidated statement of financial position is structured according to IAS 1, "Presentation of Financial Statements", and the principle of maturity. Consequently, the statement items are divided into non-current and current assets or liabilities respectively. Assets and liabilities are generally classified as current when they have a remaining term to maturity or turnover within the scope of ordinary business operations of less than one year. Accordingly, assets and liabilities are classified as non-current when they remain within the company for more than one year.

The annual financial statements of the companies included in these consolidated financial statements are based on uniform accounting and measurement principles. The consolidated financial statements are presented in Euro. For purposes of clarity and comparability, all amounts are generally (unless otherwise stated) stated in kEUR. Minor rounding differences may occur as a result of commercial rounding of individual items and percentages.

Total income is presented in two separate statements: the income statement according to the expense method and the statement of comprehensive income.

The accounting and measurement principles described below have been applied to the consolidated financial statements:

Property, plant and equipment

Property, plant and equipment is measured at historical or production cost and depreciated on a straight-line basis over the expected economic life (3 to 8 years).

If there is an indication of impairment, an impairment test also is performed.

Gains and losses from asset disposals are recorded in other operating income or in other operating expenses respectively. Investment subsidies and public grants for the acquisition of property, plant and equipment are recorded on the grant date by deducting the grant from the cost, and are depreciated over the useful lives of the assets in the form of reduced depreciation or recorded in income upon disposal of the grant-supported assets.

Intangible assets

Intangible assets include both acquired and self-developed intangible assets.

Acquired intangible assets are valued at cost and, if applicable, less accumulated depreciation and impairment. They include both intangible assets which have been acquired as a result of business combinations, if they meet the recognition criteria of IFRS 3, and those intangible assets which have been acquired separately.

Internally-generated intangible assets from which it is probable that future economic benefits will flow to the Group and which meet the recognition criteria of IAS 38, "Intangible Assets", are measured at the costs incurred during the development phase of the assets. Capitalised development costs comprise only directly attributable costs. Research costs and development costs that cannot be capitalised are recorded in full as expenses in the periods in which they are incurred.

Unless intangible assets have an indefinite useful life, they are amortised on a straight-line basis over their expected useful life. In the case of internally-generated intangible assets, amortisation begins from the date on which the assets are completed.

The useful lives are as follows:

Intangible assets	Useful live in years
Internally developed software	3
Acquired software and licences	3 – 5

If there are indications of impairment, an impairment test is also performed.

If impairment losses occur, intangible assets are written down to their recoverable amount.

Receivables and tax receivables

Trade receivables and other financial assets in the "loans and receivables" category are reported in the statement of financial position on the settlement date. They are subsequently measured at amortised cost, if necessary, using the effective interest method less any impairment losses resulting from the difference between the carrying amount of the receivable and the estimated future cash flows that are expected from this receivable. Losses arising from the impairment loss are recorded under other operating expenses.

Other receivables that are not financial instruments as defined by IFRS 7 are first recognised at acquisition cost. They are subsequently valued at amortised cost subject to impairment. All recognised receivables and other assets are current.

Cash and cash equivalents

Cash and cash equivalents, including cash-in-hand, bank balances and checks, are assigned to the "loans and receivables" category. Short-term deposits with a maturity of up to 90 days and low risk of value fluctuation are categorised as cash equivalents. Cash and cash equivalents are measured at nominal value.

Deferred tax

Deferred taxes are recognised on temporary differences between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements, and on loss carryforwards, to accurately account for future tax liability and relief.

Deferred taxes were measured using the expected tax rates based on current law as of the end of the financial year. The tax calculations took into consideration the circumstances particular to the individual legal entities. For foreign companies, the tax rates used were those specific to the country in which they are based.

Deferred tax liabilities have been recognised for all taxable temporary differences. Deferred tax assets have been recognised in those cases in which it is sufficiently certain that they can be realised in the near future. The tax effect of tax loss carryforwards was capitalised to the extent to which the future use of such loss carryforwards is expected.

Deferred tax assets and liabilities are presented net to the extent that a legal claim to set-off against the same tax authority exists.

Equity

Own shares are measured at cost and deducted from equity with no effect on the income statement. This is reported in a separate item of the statement of financial position.

Buying, selling, issuing and recalling of own shares are recognised with no effect on the income statement.

Provisions

Provisions are made for present legal and constructive obligations to third parties if the obligation is likely to lead to a future outflow of resources and the amount of the obligation can be reliably estimated. Provisions are recognised for the expected settlement amount, with long-term provisions being recognised at present value. To calculate present value, provisions are discounted to the reporting date on the basis of a risk- and duration-adequate market interest rate.

Advances received, liabilities and tax liabilities

The liabilities explained in the Notes to the financial statements comprise prepayments received, trade payables, other financial and non-financial liabilities and tax liabilities.

Prepayments received are recognised at their settlement values.

Financial liabilities as defined by IFRS 7 are trade payables, financial liabilities, and liabilities for invoices not yet received.

These are initially recognised at fair value. Non-current liabilities are subsequently measured at amortised cost using the effective interest method. Current liabilities are subsequently measured at the settlement amount, without discount.

Tax liabilities are recognised in the amount of the anticipated tax payments.

Share-based payments

Equity-settled

The first and second management levels in the YOC Group are granted subscription rights to YOC shares within the YOC Management Incentive Programme.

These are measured at the fair value of the equity instruments on the day they are granted and recognised on a straight-line basis over the vesting period as personnel expense through capital reserves.

On every reporting date the estimation regarding the number of equity instruments that vest is reviewed. The effects of modifications to the original estimates are, when known, recognised in profit or loss, subject to adjustment of the capital reserves, over the remaining period to vesting.

Cash-settled

Members of the Management Board and of the second level of management as well as staff members have been granted share-based compensation with cash settlement within the framework of the phantom stock option programme introduced in September 2014.

These phantom options are measured at fair value on the day they were issued, and recognised on a straight-line basis as personnel expense until their fulfilment. On every reporting date and on every settlement date, the obligations recognised are revaluated through profit or loss.

Revenues and expenses

YOC Group generates its revenue by performing mobile advertising services. Revenue is recognised at the time of service and on a gross basis, as YOC acts as the principal in transactions with advertisers. YOC enters into contractual relationships with both publishers and advertisers. The company establishes the selling prices of the sold advertisements, performs all billing and collection activities and bears sole responsibility for fulfilment of the advertising services. Accordingly, YOC acts as the principal in these arrangements and, therefore, reports earned revenue and incurred costs related to these transactions on a gross basis.

Services are rendered by providing advertising services based on the agreements with the advertisers. The quantity of delivered ads forms the basis for calculating revenues. Deliveries are usually measured in ad impressions, clicks, downloads or other activities of mobile users. Deliveries are performed by using software applications and advertising formats developed in-house at YOC.

Advertisers are predominantly charged for ad impressions on a CPM-basis (cost per mille), other pricing models are based on CPC (cost per click) or CPI (cost per install).

Related publisher remunerations are recognised on an accrual basis as purchased services in cost for materials.

Revenue is measured at the fair value of the counter performance and net of amounts from bonus agreements with customers and net of discounts or similar deductions.

Interest

Interest income and expenses are recognised in profit or loss according to the effective interest method.

Leasing

On the balance sheet date only operating leases exist within YOC Group. All remaining finance leasing relationships ended during the financial year 2015.

Under operating leases, the incurred expenses are recognised on a straight-line basis as expense over the term of the contract.

When incentives are granted for entry into an operating lease, these are allocated on a straight-line basis over the term of lease, unless another systematic basis accords with actual use over the course of time.

4.2 Important judgements and estimation uncertainties

Preparing the consolidated financial statements in accordance with IFRS requires making assumptions and judgements which concern the future and which, naturally, do not have to accord with circumstances occurring later. Such assumptions and estimates affect the recognition and measurement of assets and liabilities along with income and expenses. The estimates and assumptions in these consolidated financial statements are based on empirical values and other factors that are considered plausible and commercially reasonable under the given circumstances. Since assumptions and estimates may differ from actual values and have a significant effect on the company's net assets, financial position and results of operations, these assumptions and estimates are subject to regular review. Key estimates and assumptions have been made in respect of the following issues in particular:

Deferred tax assets

Deferred tax assets are recognised if sufficient taxable income is available in the future (see also item 6.8). Recognition takes into account projected results from operations and the earnings effects from the reversal of taxable timing differences. Based on projected future taxable income, the company's management assesses on each reporting date the recoverability of deferred tax assets. As future business developments are uncertain and to some extent beyond the control of the company's management, it is necessary to make assumptions in order to estimate the amount of taxable income in the future as well as the date on which deferred tax assets will be realised. Estimated values are adjusted in the period in which sufficient information is available for such an adjustment. If the management proceeds from the assumption that deferred tax assets will remain fully or partially unrealised, an impairment charge is made in the corresponding amount.

4.3 Management of capital and going concern

The Management Board is informed of the development of YOC Group's own capital through regular reporting of key figures. The aim is to cover the company's short- to medium-term financing needs through equity. In addition, liquidity risks are monitored regularly in order to analyse cash flow fluctuations and detect liquidity shortages early on and take countermeasures.

Accounting and measurement are generally based on the going concern principle. The company's liquidity situation has stabilised, though it remains tense.

Following the successful implementation of restructuring measures until end 2014 along with improved operating results in 2015, the company's liquidity situation is visibly improving. In order to cover the liquidity requirements, the following additional financing measures were taken in the reporting year:

- In April 2015, Management Board and Supervisory Board decided on a capital increase from authorised capital against cash contribution in the amount of 253,973 new shares, excluding subscription rights of existing shareholders. With an issue price of EUR 3.15 per share, the company gained gross issue proceeds amounting to kEUR 800.

- In addition, the company agreed on concomitantly taking out a loan of kEUR 300 at normal market conditions, maturing mid 2017.

- The company generated a cash inflow of around kEUR 750 by means of an out-of-court settlement. Subject-matter of the settlement is a dispute concerning the proper provision of financial services by a former financial service provider of the company.

- An agreement was reached with the buyer of the Affiliate Marketing business segment on the variable purchase price component of around kEUR 200.

The results from the operating business are not yet sufficient to satisfy the liquidity requirements in financial year 2016 in full. To maintain the liquidity position in the outlook period the company is dependent on:

- A realisation of the planned debt and equity financing measures in the first half of 2016, leading to a cash inflow in the amount of 1,1 mio EUR

- a successful assertion of claims from non-operative business transactions in the next six months,

- a realisation of a significant increase in revenue and a considerable improvement of the operative results and thus achieving the planned business performance.

The continuation of the parent company and the Group as a going concern depends on a successful application of the abovementioned measures and the realisation of the planned business performance.

For an outline of planned capital measures to counter liquidity risks, we refer to the chapters "Development of Financial Position and Net Assets YOC Group" and "Opportunities and Risk Report" in the Group Management Report.

4.4 Currency effects and currency translation

The functional currency of the parent company and the presentation currency of the Group is the Euro.

When transactions are invoiced in a foreign currency, receivables and liabilities are translated into the functional currency and entered in the accounting records at the exchange rate applicable on the closing date of the transaction. Receivables and liabilities existing on the reporting date are adjusted to take exchange rate fluctuations into account.

For the annual financial statements of our foreign subsidiaries, currencies are translated according to the functional currency concept. The functional currency of a subsidiary is its national currency.

Assets and liabilities of affiliated companies whose functional currency is not the Euro are translated into Euro at an exchange rate that is valid on the reporting date. Changes during the year along with expenses and income are translated into Euro using annual average exchange rates. Equity is translated using the historical exchange rate. Differences resulting from the translation at end-of-period exchange rates are recorded as exchange differences in equity.

Currency is translated based on the following exchange rates:

	Closing rate		Average rate	
	31/12/15	31/12/14	2015	2014
1 EUR = **Pound Sterling** (GBP)	0.7371	0.7826	0.7262	0.8063
1 Euro = **US Dollar** (USD)	1.0925	1.2156	1.1101	1.3291

The following table indicates the sensitivity of the Group's consolidated pre-tax earnings when compared to a reasonably possible significant exchange rate change as a percentage of the Pound Sterling (GBP) or the US Dollar (USD). All monetary assets in foreign currency are factored into the sensitivity. All other variables remain constant in the analysis.

Foreign Currency	Foreign exchange rate trend in %	Effect on comprehensive income before tax (in kEUR)
2015		
Pound Sterling (GBP)	+5	0
	- 5	0
US-Dollar (USD)	+5	-4
	- 5	4
2014		
Pound Sterling (GBP)	+5	5
	- 5	-6
US-Dollar (USD)	+5	2
	- 5	-2

4.5 Interest effects

An increase of the three-month Euribor by 2 % would affect the financial results by kEUR 6.

5. Results of Discontinued Operations

The net income components from discontinued operations as of 31 December 2015 are composed as follows:

Net income discontinued operations (in kEUR)	**2015**	**2014** (adjusted)
Total output	302	4,742
Costs	317	4,104
EBITDA	**-15**	**638**
Depreciation	1	48
Earnings before taxes	**-16**	**590**
Income taxes	0	8
Net income	**-16**	**598**
Result deconsolidation	**-37**	**3,256**
Total result	**-53**	**3,854**

5.1 Sale of business units

An agreement regarding the variable purchase price component was reached with the buyer of the Affiliate Marketing business segment sold in financial year 2014. Of the purchase price claim shown in the balance sheet of the previous year in the amount of kEUR 300, the company achieved to realise kEUR 160 in Q4 2015. In combination with kEUR 186 in earnings through interest refunds from a tax audit from other periods, the Affiliate Marketing business segment contributed kEUR 46 to the group's financial results.

5.2 Discontinued Operations

Due to the discontinuation of operating activities, the subsidiary Moustik GmbH was deconsolidated as of 30 September 2015 and the subsidiary YOC France SAS was deconsolidated as of 31 December 2015.

As the French market used to be an important market for YOC Group, it is recognised in earnings for discontinued operations.

The result of the deconsolidation is due to an outflow of other assets (mainly tax assets) in the amount of kEUR 40 as well as an outflow of provisions in the amount of kEUR 3.

5.3 Cash flow of discontinued operations

The cash flow from the sale and discontinuation of subsidiaries can be broken down as follows:

Cash flow from discontinued operations (in kEUR)	**2015**	**2014**
Operating cash flow	59	341
Investing cash flow	160	-12
Financing cash flow	0	-50
Cash flow from discontinuoned operations	**219**	**279**

6. Notes to the Statement of Comprehensive Income

6.1 Revenue

With the provision of mobile advertising services, YOC Group achieved a sales revenue increase by 7.2 % to kEUR 9,735 in financial year 2015 (2014: kEUR 9,083).

Revenue (in kEUR)	2015	2014
Revenue	25,584	19,098
Revenue deductions	15,849	10,015
Total	**9,735**	**9,083**

Reductions in revenue increased to 62 % in the year under review (2014: 52 %).

The reductions in revenue included reimbursements, premiums, agency commissions and other discounts to customers.

6.2 Own work capitalised

In 2015, development costs for internally developed software amounting to kEUR 230 (2014: kEUR 268) were capitalised.

In the current financial year, one focus of the company was on the development of the business intelligence tool "YOC Hub". YOC Hub provides publishers with a reporting and analysis tool which allows real-time management and evaluation of marketing activities.

The recognition criteria of IAS 38 have been met. The directly attributable costs were capitalised as production costs for internally developed software. Production costs were determined on the basis of work days, calculated at daily rates per employee.

Research and development costs for new products and technological innovations in the financial year 2015 came to kEUR 363 in total (2014: kEUR 563). The company´s focus was on programmatic media trade and on supplying or connecting efficient demand-side platforms (DSP) as well as setting up private marketplaces (PMP) for the automated real-time trade of advertising spaces.

6.3 Other operating income

Other operating income (in kEUR)	2015	2014
Income from out-of-court settlement	750	0
Income from derecognition of liabilities due to limitation of claims	181	89
Income from foreign exchange and currency translation	117	359
Income from derecognition of other liabilities	110	122
Income from recharging disbursed costs	73	105
Income from derecognition of invoices not yet received	67	87
Income from selling fixed assets	51	150
Income from the reversal of provisions	21	40
Income from letting office space	20	236
Income from derecognition of personnel liabilities	12	229
Income from purchasing debts against the company	0	1,109
Other income	66	89
Total	**1,468**	**2,615**

In the course of an out-of-court settlement, YOC AG gained a one-off profit of kEUR 750 in August 2015. Subject-matter of the settlement is a compensation for the failure of a former financial service provider of the company to provide financial services properly.

Revenue from currency gains and currency translations decreased by kEUR 242 year-on-year to kEUR 117 (2014: kEUR 359) due to the development of exchange rates.

In financial year 2015, the company was able to sell dispensable operating and office equipment in the amount of kEUR 51 (2014: kEUR 150).

Income from letting office space decreased year-on-year by kEUR 216 to kEUR 20 (2014: kEUR 236) due to the move to new premises and the connected discontinuation of subtenancy.

Tasks taken on during the transitional phase in order to uphold business for the sold subsidiary belboon GmbH, Berlin, brought further income amounting to kEUR 48 (2014: kEUR 105) from passing on costs.

6.4 Expenses for goods and services

The **costs of materials for external services** increased by kEUR 334 (+5,4%) to kEUR 6,504 (2014: kEUR 6,170). They include mainly the costs for infrastructure for providing services and for the remuneration of publishers. Material costs thus increased at a slightly disproportionately slower pace than revenues.

6.5 Personnel expenses

Personnel expenses (in kEUR)	2015	2014
Wages and salaries	3.360	3.272
Social security costs	562	535
Total	**3,922**	**3,807**

Personnel expenses slightly increased by 3 % (kEUR 115) as compared to the previous year.

Social security costs include contributions to direct insurance policies at kEUR 13 (2014: kEUR 14) as well as contributions to the statutory / public pension fund (contribution-oriented scheme) amounting to kEUR 181 (2014: kEUR 176).

The **wages and salaries** item contains no income from adjustments to the stock option programme for the year under review (2014: kEUR 51).

In financial year 2015, the company had an average staff number of 53 full-time employees.

Number of employees	2015	2014
Annual average	53	57
At the end of year	52	48

Due to the higher revenue in combination with a lower average staff number, productivity increased from kEUR 159 to kEUR 184 revenue per employee (+15.3 %).

6.6 Other operating expenses

Other operating expenses (in kEUR)	2015	2014
Current operating expense	582	1,030
Legal and consulting expense	455	491
Marketing, communication and media placement	404	345
Travel costs	124	118
Outside services	105	116
Recruiting and training expense	97	119
Stock exchange listing fees	43	51
Expense from currency translation	42	217
Allowances on receivables	39	24
Restructuring expense	0	347
Other operating expense	219	189
Total	**2,110**	**3,047**

The **current operating expenses** item consists mainly of expenses for rent, leasing and incidental costs amounting to kEUR 333 (2014: kEUR 637). The significant decline by kEUR 304 results from cost savings in all locations. Further considerable cost reductions by kEUR 72 were seen in the course of the realignment of server structures, leading to a decline to kEUR 35 (2014: kEUR 107). Other substantial items included in current operating expenses are expenditures for insurance, contributions and tax in the amount of kEUR 80 (2014: kEUR 80) along with expenditures for repairs, maintenance and servicing of operating and office equipment and software in the amount of kEUR 68 (2014: kEUR 76).

We were able to further decrease **legal and consulting expenses** as compared to the previous year. These include costs for legal advice amounting to kEUR 168 (2014: kEUR 175) and costs for preparing and auditing the annual financial statements at kEUR 163 (2014: kEUR 186). Costs for tax advice increased to kEUR 80 (2014: kEUR 44) due to an external tax audit. Other consulting expenses decreased by kEUR 42 to kEUR 44 (2014: kEUR 86).

The **marketing, communication, media placement** item includes mainly costs for marketing and public relations amounting to kEUR 231 (2014: kEUR 132). The increase can be attributed in particular to the higher presence at industry fairs. Communication costs came to kEUR 73 (2014: kEUR 86).

In the reference period of the previous year, the company recorded expenses of kEUR 347 in the course of **restructuring** the company. These did not occur in the period under review.

Exchange losses resulting from currency exchange decreased significantly by kEUR 175 to kEUR 42 (2014: kEUR 217).

The **miscellaneous other operating expenses** item includes, among other things, compensation expenses for the Supervisory Board amounting to kEUR 70 (2014: kEUR 73).

6.7 Financial result

Net interest (in kEUR)	2015	2014
Income from securities and other interest income	0	1
Interest income	**0**	**1**
Interest and similar expenses	0	45
Interest expense from non-current liabilities	21	1
Interest expense	**21**	**46**
Financial result	**-21**	**-45**

The interest and similar expenses item includes mainly interest expense from loan agreements.

The interest expense from non-current liabilities item includes no amount (2014: kEUR 1 attributable to long-term financing leasing).

6.8 Income taxes

Income taxes (in kEUR)	2015	2014
Actual income taxes		
Actual taxes on domestic income	0	11
Actual taxes on foreign income	57	24
Total actual income taxes	**57**	**35**
Deferred taxes		
Deferred domestic taxes	0	78
Deferred foreign taxes	1	-2
Total deferred taxes	**1**	**76**
Total income taxes	**58**	**111**

Tax expenses for the financial year 2015 consist of the following: The **actual income taxes** item comprises corporate income tax, trade tax, solidarity surcharge and the foreign taxes on income and earnings. The actual domestic income taxes are treated as tax expenses for other accounting periods.

The deferred taxes recognised in profit or loss are broken down as follows:

Deferred taxes recognised through profit or loss (in kEUR)	2015	2014
From temporary differences	8	219
From loss carryforwards and tax credits	-7	-143
Total deferred taxes recognised through profit or loss	**1**	**76**

The tax revenue in the amount of kEUR 7 (2014: kEUR 143 tax expenditure) results from the adjustment of deferred tax assets to losses carried forward.

The following table shows the reconciliation between expected and actually reported tax expenses for the Group:

Reconciliation (in kEUR)	2015 TEUR	2015 %	2014 TEUR	2014 %
Comprehensive income before taxes	**-1,453**		**3,411**	
Relevant tax rate		**30**		**30**
Expected tax expense	**-439**		**1,029**	
Changes resulting from deviations to the tax measurement basis				
Tax-exempt income, tax-exempt amounts and benefits	-8		-70	
Non-tax deductible expense	146		176	
Tax effects for the Group				
Deconsolidation	-53		-986	
Tax rate differences				
Effects of differing foreign tax rates	6		0	
Recognition and measurement of deferred tax assets				
Impairment of deferred taxes on loss carryforwards	135		0	
Non-recognition of deferred tax assets on loss carryforwards	109		191	
Use of non-deferred loss carryforwards	-6		-144	
Write-up of deferred tax assets on loss carryforwards	0		-142	
Changes in tax rates on deferred taxes				
Changes in tax rates on deferred taxes	39		0	
Non-periodic effects				
Taxes from previous years	0		12	
Other				
Other	23		46	
Actual tax expense per income statement	**58**		**111**	

The expected tax expense is obtained by multiplying comprehensive income before tax by the parent company's tax rate of 30.21 % (2014: 30.18 %). The relevant tax rate is calculated according to the tax provisions in effect on the closing date to the financial statements. Corporate income tax, solidarity surcharge and trade tax are taken into account accordingly.

The following deferred tax assets and deferred tax liabilities were recognised on differences and on loss carryforwards:

Deferred tax assets / liabilities (in kEUR)	2015 Deferred tax assets	2015 Deferred tax liabilities	2014 Deferred tax assets	2014 Deferred tax assets
Intangible assets	2	7	8	150
Fixed assets	0	0	2	0
Tax loss carryforwards and benefits	7	0	143	0
Total	**9**	**7**	**153**	**150**
Netting	-7	-7	-150	-150
Recognised on statement of financial position	**2**	**0**	**3**	**0**

For German tax purposes, the deferred taxes are accounted for using a corporate income tax rate of 15 % and a solidarity surcharge of 5.5 %. The trade tax is calculated using a 3.5 % base rate and the respective multiplier specific to local municipality.

Deferred taxes on items on the statement of financial position relating to foreign ownership interests are recognised with due regard to the tax conditions applicable to the company in question.

Deferred tax on tax loss carryforwards are recognised subject to whether they can be realised in the future. As of 31 December 2015, deferred taxes on tax loss carryforwards amounting to kEUR 13,780 (2014: kEUR 13,810) from corporate income taxes and amounting to kEUR 12,718 (2014: kEUR 12,753) from trade taxes were not recognised. Deferred taxes on tax loss carryforwards amounting to kEUR 3,085 (2014: kEUR 2,761) attributed to foreign subsidiaries were not recognised.

As of the reporting date, no tax receivables were recognised (2014: kEUR 29).

Tax liabilities amounted to kEUR 49 as of 31 December 2015 (2014: kEUR 23) .

6.9 Earnings per share

The registered share capital as of 31 December 2015 is divided into 3,112,473 bearer shares each with a nominal value of EUR 1.00 per share (previous year: 2,858,500 shares).

To calculate the undiluted earnings per share, the earnings attributable to ordinary shareholders of YOC AG are divided by the weighted average number of ordinary shares in circulation during the year. In 2015, the weighted average number of shares used to calculate the undiluted earnings per share was 3,027,343 (2014: 2,854,500 shares). The stock options offered under the stock option programme had no dilutive effect according to IAS 33.41 in financial year 2015.

6.10 Segment reporting

Segment reporting is based on the internal management structure. At the beginning of the previous year, the internal reporting structure was rearranged in connection with the sale of the Affiliate Marketing business segment. The group has since been divided into geographical areas and is made up of the following reportable business segments:

1. D-A-CH region (Germany, Austria and Switzerland)
2. Rest of Europe

For the formation of the abovementioned reportable business segments, the business segments of Germany and Austria (including Switzerland) have been assigned to the D-A-CH segment, while the UK and Spain have been assigned to the Rest of Europe segment, as they show similar economic characteristics and are comparable in terms of their products, range of services, customers, processes and marketing methods. France was still contained in the Rest of Europe segment in the previous year and has been eliminated with the deconsolidation of YOC France SAS as of 31 December 2015. The previous year's figures have been adjusted accordingly.

The corporate functions item contains revenue and expenses that were incurred in the parent company and cannot be directly allocated to any business segment.

The following table shows the results of the different segments. In accordance with the internal reporting structure, EBITDA is used to measure the earnings:

Segment reporting (in kEUR)	D-A-CH	Rest of Europe	Corporate Functions	Consolidation	YOC Group
01/01/2015 - 31/12/2015					
External revenue	6,350	3,385			9,735
Internal revenue	1,040	0		-1,040	0
Total revenue	7,390	3,385		-1,040	9,735
Own work capitalised	230	0			230
Other operating income	564	153	750		1,468
Total output	7,144	3,538	750		11,432
Costs of goods sold	4,100	2,403			6,504
Personnel expenses	1,891	1,057	974		3,922
Other operating expenses	863	639	609		2,111
EBITDA	**289**	**-560**	**-833**		**-1,104**
01/01/2014 - 31/12/2014					
External revenue	5,587	3,496			9,083
Internal revenue	577	0		-577	0
Total revenue	6,164	3,496		-577	9,083
Own work capitalised	268	0			268
Other operating income	312	750	1,553		2,615
Total output	6,167	4,245	1,553		11,966
Costs of goods sold	3,628	2,542			6,170
Personnel expenses	2,012	1,145	651		3,807
Other operating expenses	727	979	1,342		3,047
EBITDA	**-199**	**-420**	**-439**		**-1,058**

Revenues are calculated based on turnovers attained by the subsidiaries in the respective countries.

As of 31 December 2015, trade receivables amounted to kEUR 929 (2014: kEUR 588) in the D-A-CH region and kEUR 1,064 (2014: kEUR 1,022) in the rest of Europe.

EBITDA is reconciled to net income as follows:

Reconciliation (in kEUR)	2015	2014
EBITDA	**-1,104**	**-1,058**
Depreciation and amortisation	-276	-307
Financial result	-21	-45
Net income before taxes	**-1,401**	**-1,410**
Taxes	-61	-119
Net income from discontinued operations	-53	4,821
Net income	**-1,514**	**3,292**

6.11 Other comprehensive income

Other comprehensive income in financial year 2015 contains changes arising from currency translations amounting to kEUR -110 (2014: kEUR -210).

7. Notes to Individual Items in the Statement of Financial Position

7.1 Property, plant and equipment

Property, plant and equipment include mainly operating and office equipment as well as IT infrastructure such as server systems.

As of 31 December 2015, the consolidated statement of financial position contained property, plant and equipment amounting to kEUR 77 (2014: kEUR 145). Scheduled depreciation on property, plant and equipment amounted to kEUR 77 in the financial year under review (2014: kEUR 171).

There were no limits on disposal or restrictions for individual items of property, plant and equipment. Likewise, no property, plant or equipment has been pledged or otherwise given as security.

Property, plant and equipment in the financial year 2015 developed as follows:

Changes to property, plant and equipment (in kEUR)

Acquisition costs	
per 01/01/2014	**1,842**
Changes in scope of consolidation	-163
Additions	13
Disposals	562
Currency translation effects	19
As of 31/12/2014	**1,149**
Depreciation	
As of 01/01/2014	**1,344**
Changes in scope of consolidation	-150
Additions	171
Disposals	377
Currency translation effects	16
As of 31/12/2014	**1,004**
Net carrying amount as 31/12/2014	**145**

Acquistion costs	
As of 01/01/2015	**1.149**
Changes in scope of consolidation	-10
Additions	41
Disposals	251
Currency translation effects	1
As of 31/12/2015	**931**
Depreciation	
As of 01/01/2015	**1,004**
Changes in scope of consolidation	-10
Additions	76
Disposals	77
Currency translation effects	218
As of 31/12/2015	**854**
Net carrying amount as of 31/12/2015	**77**

As of 31 December 2015, the remaining useful lives were between 1.0 and 3.0 years (2014: between 1.0 and 3.0 years).

The scheduled amortisation of intangible assets came to kEUR 199 in financial year 2015 (2014: kEUR 185).

There were no limits on disposal or restrictions on individual intangible assets. Likewise, no intangible assets have been pledged or given as security.

Intangible assets developed as follows:

Development of intangible assets (in kEUR)	**Internally developed software**	**Website and trademark rights**	**Acquired software and licences**	**Customer bases**	**Total**
Acquisition costs					
As of 01/01/2014	**2,477**	**631**	**511**	**3,170**	**6,789**
Changes in scope of consolidation	-1,171	-546	-35	-845	-2,597
Additions	401	13	0	0	414
Disposals	0	0	42	0	42
Reposting	9	0	0	0	9
As of 31/12/2014	**1,716**	**98**	**453**	**2,325**	**4,573**
Depreciation					
As of 01/01/2014	**2,297**	**631**	**444**	**2,876**	**6,248**
Changes in scope of consolidation	-1,156	-546	-32	-586	-2,320
Additions	102	0	48	35	185
Disposals	0	0	42	0	42
As of 31/12/2014	**1,242**	**85**	**419**	**2,325**	**4,071**
Net carrying amount as of 31/12/2014	**473**	**13**	**16**	**0**	**502**
Acquisition costs					
As of 01/01/2015	**1,716**	**98**	**435**	**2,325**	**4,573**
Changes in scope of consolidation	0	0	-7	-2,186	-2,193
Additions	293	0	0	0	293
Reposting	0	0	0	0	0
As of 31/12/2015	**2,009**	**98**	**428**	**139**	**2,673**
Depreciation					
As of 01/01/2015	**1,242**	**85**	**419**	**2,325**	**4,071**
Changes in scope of consolidation	0	0	-7	-2,186	-2,193
Additions	196	3	0	0	199
As of 31/12/2015	**1,438**	**88**	**412**	**139**	**2,077**
Net carrying amount as of 31/12/2015	**570**	**10**	**16**	**0**	**596**

7.3 Receivables and other assets

Trade receivables as of 31 December 2015 amounted to kEUR 1,993 (2014: kEUR 1,611). They consist of the following:

Trade receivables (in kEUR)	2015	2014
Trade receivables before impairment	2,044	1,647
Specific valuation allowance	-51	-36
Total	**1,993**	**1,611**

Impairments on trade receivables and other receivables developed as follows:

Changes in specific valuation allowance (in kEUR)	2015	2014
As of 01/01/	**36**	**357**
Additions	43	11
Reversals	0	0
Usage	-28	-210
Changes in scope of consolidation	0	-122
As of 31/12/	**51**	**36**

The management of receivables accommodates a balanced age structure through the continuous analysis of the receivables amount. Receivables older than 60 days are subject to detailed analysis. Should there be any earlier indications that an individual adjustment is necessary, the respective receivables are impaired accordingly.

The following table shows the analysis of the age structure of trade receivables which are reported in the statement of financial position on the reporting date.

Trade receivables maturity analysis (in kEUR)	2015	2014
Up to 30 days*	1,934	1,466
31 days to 90 days	48	53
91 days to 180 days	6	16
From 181 days	5	76
Due value-adjusted receivables as of 31/12/	51	35
Total trade receivables	**2,044**	**1,647**

*there of receivables amounting to kEUR 1,299 are neither due nor impaired on 31/12/2015 (2014: kEUR 1,042)

The **other assets** item amounting to kEUR 331 (2014: kEUR 641) includes mainly receivables from the buyer of the Affiliate Marketing segment from interest refunds regarding other tax resulting from a tax audit at kEUR 186. In the previous year, they contained receivables from the sale of assets in the amount of kEUR 300. In addition, they include advance payments amounting to kEUR 77 (2014: kEUR 70), security deposits in the amount of kEUR 45 (2014: kEUR 57) as well as creditor accounts with debit balance amounting to kEUR 1 (2014: kEUR 10). Receivables from tax authorities from value added taxes are not included in the year under review (2014: kEUR 208). Advance payments have been made, among other things, for insurance, membership fees, rents and royalties.

Of the variable purchase price component shown in the balance sheet of the previous year amounting to kEUR 300, the company could ultimately realise kEUR 160. We refer to the explanations given in chapter 5. No further impairments of other assets have occurred.

All receivables and other assets are short-term items.

There are no exceptional default risks, or concentrations of default risks, on YOC Group receivables. The carrying amounts presented above reflect the group's maximum default risk on such receivables and assets.

7.4 Cash and cash equivalents

Cash and cash equivalents comprise all bank and cash assets along with short-term deposits and cheques amounting in total to kEUR 870 (2014: kEUR 1,204). Bank accounts held in a foreign currency were translated using the end-of-period exchange rate. As of 31 December 2015, no cash assets had been pledged as security.

YOC AG was granted a credit line of kEUR 80 in financial year 2015. It has not been made use of by the reporting date.

7.5 Equity

On 22 April 2015, YOC AG Management Board and Supervisory Board decided on a capital increase from authorised capital against cash contribution in the amount of 253,973 new shares, excluding subscription rights for existing shareholders. With an issue price of EUR 3.15 per share, the company gained gross issue proceeds amounting to kEUR 800.

The number of shares of the company stands at 3,112,473 after the capital increase (2014: 2,858,500). Of the 3,112,473 shares with a nominal value of the share capital of EUR 1.00, YOC AG holds 4,000 as its own shares (see explanations further below). Treasury shares are presented as a deduction from the share capital.

In the annual general meeting on 25 August 2015, new authorised capital was approved, whereby the Management Board is entitled to increase the company's share capital - with the Supervisory Board's approval - one or more times until 24 August 2020, up to a nominal amount of EUR 1,556,236.00, by issuing new shares for cash contributions and/or contributions in kind.

The following table shows the shareholder structure of YOC AG as of 31 December 2015:

Shareholders of YOC AG	Ownership interests in %
Management Board[1 2 3]	19,8
DIH Deutsche Industrie Holding GmbH	9,9
Dr. Bernhard Heiss	9,2
Euroweb Beteiligung GmbH	5,1
Karl J. Kraus	3,5
YOC AG (own shares)	0,1
Free float	52,4
Total	**100,0**

[1] The ownership interest held by dkam GmbH is attributed to Mr. Dirk Kraus
[2] Mr. Dirk Kraus owns 3,0% as a member of the community of heirs after Hilmar Kraus
[3] The ownership interest held by ATK GmbH is attributed to Mr. Michael Kruse

In financial year 2009, contingent capital was created in order to give the management and employees of the company as well as its affiliates subscription rights under the **stock option programme**, for the first time.

Of the total volume of 175,000 possible subscription rights, 115,500 shares, i.e. up to 66 % of the total volume, may be granted to members of YOC AG's Management Board (last 2012). A total of 59,500 shares, i.e. up to 34 % of the total volume, may be granted to employees of YOC AG and employees of its affiliates. Each subscription right entitles the holder to purchase one share in YOC AG at the exercise price.

The exercise price is equivalent to 100 % of the unweighted average Xetra closing rate of YOC shares in the last eight trading days before the beginning of the subscription period in which the subscription rights are granted, but not less than the closing price of the share on the date when the subscription rights are granted. The subscription rights may be exercised only during specific exercise periods, but no earlier than three years after they have been granted, and for the last time in 2017.

Exercise of these subscription rights is linked to an increase in the stock market price of YOC shares of at least 15 % in the third year following the granting of the subscription rights, at least 20 % in the fourth year and at least 25 % in the fifth year. In addition, the person exercising such rights must have been continuously employed by YOC AG or one of its affiliates since the subscription rights were granted. The right to exercise the subscription rights remains intact if the employment contract is terminated due to long-term illness, inability to work, retirement, or if the employment contract is consensually terminated or is terminated by reason of parental leave.

In the event of a takeover bid for the shares of YOC AG according to Sect. 29 Para. 35 German Securities Acquisition and Takeover Act (WpÜG), the subscription rights can be exercised within an additional exercise period as long as the statutory waiting period of two years is observed.

The following table shows the number and the weighted average exercise price (WAEP) in Euro along with the performance of the share options during the financial year:

	2015		2014	
Development of stock options	**Number**	**GDAP**	**Number**	**GDAP**
Outstanding as of 01/01	44,250	17.69	159,765	14.64
Forfeited during the period	4,125	16.11	111,965	13.25
Expired during the period	4,125	33.22	3,550	16.11
Outstanding as of 31/12	36,000	16.09	44,250	17.69
Exercisable as of 31/12	0	0.00	0	0.00

As of 31 December 2015, the weighted average remaining term was 0.0 years (2014: 0.5 years), and the weighted average fair value of the options was EUR 6.22 (2014: EUR 6.74). The exercise prices for the options outstanding at the end of the current financial year ranged between EUR 7.37 and EUR 27.00.

The fair value of the share options was ascertained by means of a Monte Carlo simulation, taking the following assumptions as a basis:

Valuation parameters of stock options	Options September 2012	Options September 2011
Expected dividend yield	0%	0%
Interest of risk free assets	0,47%	0,97%
Vesting period in years	3,3	3,3
Volatility	50%	45%

The volatility was ascertained in previous years using historical changes in share prices of a group of companies which are comparable with YOC AG.

In accordance with the resolution of the General Meeting of 25 August 2015, the share capital of the group has been contingently increased by up to EUR 1,000,000 by issuing up to 1,000,000 new shares made out to bearer. The contingent capital increase is used to grant shares to bearers or creditors of convertible bonds as well as option right holders from option bonds. The shares are being issued upon authorisation until 24 August 2020. The contingent capital increase is only realised to the extent that the option bonds and convertible bonds are actually exercised or conversion obligations from such bonds are fulfilled and that no other forms of fulfilment are used to service these rights.

As of 31 December 2015, the **capital reserve** amounted to kEUR 20,381 (2014: kEUR 19,903). The change in capital reserve in the reporting year is the result of the premium from the capital increase less transaction costs at kEUR 506 along with a reposting of the expired parts of the stock option programme into retained earnings in the amount of kEUR 28 (2014: kEUR 270).

The **retained earnings** item reflects the cumulative results of past financial years, with a value of kEUR -25,707 as of 31 December 2015 (2014: kEUR -24,220). The difference to the previous year stems from the annual result of kEUR -1,514 as well as the expired parts of the stock option programme from the capital reserve in the amount of kEUR 28 (2014: kEUR 270).

In the financial year 2015, as in the previous year, YOC AG held 4,000 of its own shares, valued at an average of EUR 12.56.

7.6 Provisions

The provisions are comprised as follows:

Provisions (in KEUR)	As of 01/01/15	Reversal	Addition	As of 31/12/15
Archiving provisions	56	21	0	35
Other provisions	9	0	33	42
Total	**65**	**21**	**33**	**77**

As of 31 December 2015, YOC Group had provisions amounting to a total of kEUR 77 (2014: kEUR 65). Analogous to the previous year, the total amount is to be classified as long-term and relates to the provisions for archiving as well as a phantom stock option programme for the Management Board, managers and employees introduced in 2014.

The archiving provision is a consequence of the duty to preserve business records. The applied discount rate is based on the interest rates published by the Bundesbank for the various maturities. In 2015, it was 2.79 % on average (2014: 3.5 %).

With the phantom stock option programme launched in September 2014 (share-based payment with cash compensation), 95,000 phantom options were granted to staff and Management Board members by end 2015. Phantom options may be granted for the first time in 2014, and for the last time in 2017. They may be exercised no earlier than three years after they have been granted, and only if the share price is at least 25 % higher than on the issuing date and at least EUR 5.00. The phantom options are to be exercised within twelve months after the waiting period has expired. After three years, the options become non-forfeitable. The fair value as of 31 December 2015 is at EUR 1.45 and was ascertained by means of the Black-Scholes model, taking the following assumptions as a basis: expected dividend yield 0 %, risk-free interest rate 0.02 %, vesting period three years, and an expected volatility of 163 %.

7.7 Liabilities

As of 31 December 2015, YOC Group's liabilities amounted to kEUR 6,306 (2014: kEUR 5,720). They include received prepayments, trade payables and other payables, tax liabilities, other liabilities and other financial liabilities.

As of 31 December 2015, **trade payables** came to kEUR 1,790 (2014: kEUR 2,521).

Other liabilities, amounting to kEUR 687 as of 31 December 2015 (2014: kEUR 771), can be broken down as follows:

7.8 Other financial obligations

As of 31 December 2015, there were financial obligations for outstanding leasing instalments for office space, operating and office equipment.

	2015		2014	
Other liabilities (in kEUR)	**Total**	**Of which current**	**Total**	**Of which current**
Liabilities arising from personnel matters	439	439	617	617
Liabilities from operating taxes	230	230	122	122
Miscellaneous other liabilities	18	18	32	32
Total	**687**	**687**	771	771

Liabilities arising from personnel matters include mainly deferred bonus and commission claims amounting to kEUR 278 (2014: kEUR 222), liabilities for severance payments amounting to kEUR 15 (2014: kEUR 218), liabilities for payroll and church taxes, social security obligations, trade association commitments and an obligation to pay the disabled persons' levy amounting to kEUR 106 (2014: kEUR 126) as well as commitments for unused vacation days amounting to kEUR 41 (2014: kEUR 51).

Other financial liabilities, in a total amount of kEUR 3,730 as of 31 December 2015 (2014: kEUR 2,396), include current liabilities in the amount of kEUR 3,250 (2014: kEUR 2,396). They break down as follows:

Of the financial obligations from operating leases (including rental expenses), the following are to be paid in the coming years:

Other financial obligations (in kEUR)	**2015**	**2014**
Up to 1 year	193	204
1-5 years	458	292
Over 5 years	0	0
Total	**650**	**496**

Rent-free periods are recognised over the lease term on a straight-line basis as a reduction of current rent expenses.

In financial year 2015, the minimum lease payments recognised in profit or loss under operating leases for continuing operations

	2015		2014	
Other financial liabilities (in kEUR)	**Total**	**Of which current**	**Total**	**Of which current**
Liabilities from invoices not yet received	3,170	3,170	2,296	2,296
Shareholder loans	300	0	0	0
Liabilities from finance leasing	0	0	3	3
Miscellaneous other financial liabilities	260	80	97	97
Total	**3,730**	**3,250**	2,396	2,396

The item of other financial liabilities in the current year comprises mainly liabilities from purchase invoices not yet received. They contain obligations for financial reporting and audit costs of YOC AG amounting to kEUR 95 (2014: kEUR 99). Also included in this item are liabilities for customers' overpayments amounting to kEUR 69 (2014: kEUR 247).

Hedging relationships are not reported.

amounted to kEUR 348 (2014: kEUR 740). There were no lease commitments according to IFRIC 4.

As of 31 December 2015, no liabilities existed from finance lease agreements (2014: kEUR 3).

Lending and similar forms of financing did not occur in financial year 2015.

7.9 Other disclosures on financial instruments

The following table shows the carrying amounts and fair values, the categorisation according to IAS 39, and fair-value hierarchy of the financial assets and liabilities recognised in the consolidated financial statements:

YOC Group has a group-wide cash management system by which the liquidity of the group companies is monitored on a daily basis.

31/12/2015 (in kEUR)	**Carrying amount**	**Fair Value**	**Measurement category IAS 39**[1)]	**Fair value hierarchy**
Financial assets				
Cash and cash equivalents	870	870	LaR	n/a
Trade receivables	1,993	1,993	LaR	n/a
Other financial assets	331	331	LaR	n/a
Financial liabilities				
Fixed rate borrowing	300	300	FLAC	level 2
Trade payables	1,790	1,790	FLAC	n/a
Other financial liabilities	3,430	3,430	FLAC	n/a

31/12/2014 (in kEUR)	**Carrying amount**	**Fair Value**	**Measurement category IAS 39**[1)]	**Fair value hierarchy**
Financial assets				
Cash and cash equivalents	1,204	1,204	LaR	n/a
Trade receivables	1,611	1,611	LaR	n/a
Other financial assets	641	641	LaR	n/a
Financial liabilities				
Trade payables	2,521	2,521	FLAC	n/a
Other financial liabilities	2,396	2,396	FLAC	n/a
thereof finance lease obligations	3	3	FLAC	level 2

The carrying amounts of cash and cash equivalents, trade receivables, other current assets and other current financial liabilities are virtually identical with their fair value, mainly due to their short repayment periods. The fair value of these current items in the statement of financial position items is equated with their recognised value on grounds of materiality.

The following table shows the future non-discounted contractually agreed cash outflows in relation to the financial instruments:

As of 31 December 2015, as in the previous year, the maximum contingency risk was equal to the carrying amount of all financial assets owed to third parties.

	Non-discounted cash outflow		
Maturity analysis (in KEUR)	**Carrying amount as of 31/12/2015**	**Up to 1 year**	**1 to 5 years**
Other liabilities	687	687	0
Other financial liabilities	3,730	3,250	480
Trade payables	1,790	1,790	0
Maturity analysis (in KEUR)	**Carrying amount as of 31/12/2014**	**Up to 1 year**	**1 to 5 years**
Other liabilities	771	771	0
Other financial liabilities	2,396	2,396	0
Trade payables	2,521	2,521	0

Revenue and expenditures along with profits and losses from financial instruments which are recorded in the income statement are presented in the table below:

	2015		2014	
Items of income, expense, gains or losses (in kEUR)	**Net profit / net losses**	**Total interest income and expense** (effective interest method)	**Net profit / net losses**	**Total interest income and expense** (effective interest method)
Loans and receivables (including cash and cash equivalents)	39	0	1,132	-44
Financial liabilities measured at amortised cost	0	21	0	0
Total	**39**	**21**	1,132	-44

Net gains or net losses according to IFRS 7.20 (a) include interest for liabilities to financial institutions, changes in impairment of receivables, and results of measuring financial instruments at fair value. Total interest income and total interest expense according to IFRS 7.20 (b) include mainly interest expenses resulting from application of the effective interest method along with interest expenses from leasing liabilities.

8. Notes to the Cash flow Statement

8.1 Cash flow from individual activities

On the reporting date, cash and cash equivalents of YOC Group amounted to kEUR 870 (2014: kEUR 1,204).

Operating cash flow

The operating cash flow is determined according to the indirect method. The starting point for determining the operating cash flow is net income after taxes for the past financial year, amounting to kEUR -1,514 (2014: kEUR 3,292). Of this, kEUR -1,461 can be attributed to continued operations (2014: kEUR -1,529).

The operating cash flow came to kEUR -1,295 in financial year 2015 (2014: kEUR -1,920). The operating cash flow includes all cash transactions of the financial year that are not attributable to investing or financing activities.

Cash flow from investing activities

Cash outflow from investing activities in the past financial year amounted to kEUR 99 (2014: cash inflow of kEUR 2,658). The sale of business segments brought the company income amounting to kEUR 160 (2014: kEUR 2,794).

A total of kEUR 293 in internal development costs were invested in connection with the further development of technological platforms and new products.

By selling operating and business equipment to the Affiliate Marketing business segment (sold in 2014), an income of kEUR 79 was generated.

Cash flow from financing activities

Cash flow from financing activities came to kEUR 1,060 in financial year 2015 (2014: kEUR -66).

The capital increase from authorised capital against cash contribution was effected by issuing 253,973 new shares, excluding subscription rights for existing shareholders. With an issue price of EUR 3.15 per share, the company gained gross issue proceeds in the amount of kEUR 800 (net kEUR 760).

In addition, the company agreed on concomitantly taking up a loan in the amount of kEUR 300 at standard market conditions, maturing mid-2017.

8.2 Cash funds

The cash funds comprise cash in hand and bank balances along with short-term deposits with a maturity of up to 90 days which have only a slight value fluctuation risk. As of 31 December 2015, cash funds amounted to kEUR 870 (2014: kEUR 1,204).

9. Notes to the Statement of Change in Equity

Apart from the annual net loss of kEUR 1,514 recognised in the retained earnings, the following issues have an effect on equity:

Currency translation effects arising from consolidating the foreign subsidiary YOC Mobile Advertising Ltd. led to a decline in equity by kEUR -110, due to the devaluation of the Euro to the British pound (2014: kEUR -210).

The capital increase realised in April 2015 brought gross issue proceeds of kEUR 800 in total (net kEUR 760).

Changes in the evaluation of the stock option programme led to a marginal effect on equity capital in the balance, amounting to kEUR -1 in total (2014: kEUR -54).

10. Other Disclosures

10.1 Guarantees, contingent liabilities and similar obligations

There are no guarantees, contingent liabilities or similar obligations.

10.2 Events after the statement of financial position reporting date

As of the publication date of the annual consolidated financial statements, no other events have occurred after 31 December 2015 which might have had a significant effect on net assets, financial position and results of operations.

10.3 Report on risks and opportunities

The disclosures on company- and industry-specific risks as well as financial risks of YOC Group and its management are made in the risk report of the Group Management Report, which is subject to auditing.

10.4 Related party disclosures

For the purposes of IAS 24, related companies and persons are generally defined as members of the Management Board and of the Supervisory Board of YOC AG along with their family members and companies controlled by these persons. Persons in key positions and their close family members are also considered related parties (according to IAS 24.9).

Obligations of YOC AG towards the Management Board member Dirk Kraus in the amount of kEUR 180 have been bearing interest at an annual rate of 5 % since 01 January 2015 and are now recognised in non-current financial liabilities.

No furthes significant business transactions with related companies or persons took place in the period under review.

10.5 Management Board and Supervisory Board remuneration

Remuneration of the Management Board

Appointed Management Board in the financial year 2015 were Dirk Kraus and Michael Kruse (since 01 January 2015). The following table shows the breakdown of the remuneration components for each Management Board member:

Remuneration Management Board 2015 (in kEUR)

	short-term benefits		
Name	**Fixed compensation*** (in kEUR)	**Variable compensation** (in kEUR)	**Phantom stock options granted in 2014** (in units)
Dirk Kraus	210	0	40,000
Michael Kruse	160	0	0
Total	**370**	**0**	**40,000**

*including contractual fringe benefits

In the financial year 2015, remuneration for the Management Board of YOC AG included a fixed salary component of kEUR 370 in total (2014: kEUR 240). A variable component based on the operating results of YOC Group was not remunerated in the current financial year (2014: kEUR 10).

From the phantom stock option programme set up in 2014, the Supervisory Board granted a total amount of 40,000 phantom stock options with a fair value of EUR 1.45 each to the Management Board. Other than in a stock option scheme with "actual" stock options, the exercising of phantom options does not authorise to subscribe to company shares, but rather entitles the holder to claim a certain amount of money in cash from the company as further defined in the option terms and conditions. The phantom options do not give the holder any participation rights in the company under commercial law, in particular no share-based claim to rights of information or participation, voting rights or participation in net profit. In the financial year 2015, kEUR 14 were recognised as share-based remuneration expense pro rata (2014: kEUR 4).

In the financial year 2015, kEUR 370 of the ongoing Management Board remuneration were effective for payment (2014: kEUR 275).

Other than the above, no advances, loans, security payments, pension promises or similar benefits were granted to the Management Board.

Remuneration of the Supervisory Board

The compensation received by YOC AG's Supervisory Board comprises fixed remuneration amounting to kEUR 48 in total (2014: kEUR 51) and an attendance allowance of kEUR 22 (2014: kEUR 22).

The following table shows the breakdown of the remuneration for each member of the Supervisory Board in 2015:

Remuneration Supervisory Board 2015 (in kEUR)

Name	Fixed compensation	Attendance allowance	Total
Dr. Nikolaus Breuel (Supervisory Board chairman)	21	10	31
Konstantin Graf Lambsdorff	16	7	23
Sacha Berlik	11	5	16
Total	**48**	**22**	**70**

No advances, loans, security payments, pension promises or similar benefits were granted to the Supervisory Board. Similarly, other than their Supervisory Board activities, the Supervisory Board members did not perform any advisory or referral services for YOC Group.

10.6 Auditor's fees

The following fees were incurred for the services performed by the auditor Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Berlin:

Auditor´s fees (in kEUR)	2015	2014
Audit of financial statements	54	82
Tax consulting services	81	41
Other services	21	68
Total	**156**	**191**

10.7 Declaration of Conformity with the German Corporate Governance Code

The Declaration of Conformity with the German Corporate Governance Code (Deutscher Corporate Governance Kodex) pursuant to Sect. 161 of the German Stock Corporation Act (AktG) was issued by the Management Board and the Supervisory Board and has been made permanently accessible to YOC AG's shareholders on the web page at www.yoc.com in the "Investor Relations" section.

Berlin, 17 April 2016
The Management Board

Dirk Kraus   Michael Kruse

Statement of Responsibility made by the Management Board

(Pursuant to Sect. 37y No. 1 Securities Trading Act (WpHG) in conjunction with Sect. 297 Para. 2 Sent. 4 and Sect. 315 Para. 1 Sent. 6 German Commercial Code (HGB))

We assure, to the best of my knowledge, that the consolidated financial statement conveys a true and fair view of the net assets, financial position and results of operations of the group according to the applicable accounting principles, and that the conduct of business including the business results and the situation of the group are described in the Group Management Report so as to convey a true and fair view of the facts and circumstances as well as the material risks and opportunities of the group's expected development.

Berlin, 17th of april, 2016

Dirk Kraus
Board YOC AG

Michael Kruse
Board YOC AG

Audit Opinion

We have audited the consolidated financial statements prepared by the YOC AG, Berlin, comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and the notes to the consolidated financial statements, together with the group management report for the fiscal year from 1 January to 31 December 2015. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB [„Handelsgesetzbuch": „German Commercial Code"] are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Without qualifying this opinion, we draw attention to the information provided in the management report by the management board of YOC AG. In the sections "Outlook" and "Financial and treasury risks" it is stated that the continuation of the parent entity and the group as a going concern is at risk. To maintain the liquidity position in the outlook period the company is dependent on:

- a realization of the planned debt and equity financing measures in the first half year 2016 which will lead to a cash inflow in the amount of EUR 1.1 million,
- a successful assertion of claims from non-operative business transactions in the next six months,
- the realisation of a significant growth in revenue and a considerable improvement of the operative results and thus reaching the planned business performance.

The continuation of the parent company and the group as a going concern depends on a successful application of the abovementioned measures and the realisation of the planned business performance.

Berlin, 18 April 2016

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Roeders	Klemm
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Management Board

The Management Board consisted of the following members in the financial year 2015 (as of 31 December 2015):

DIRK KRAUS

Dirk Kraus was reappointed on 10 September 2013 as member of the Management Board of YOC AG. He had previously been represented on the Management Board of the company from 2001 to 2012 – since 2005 as CEO of the company. He founded YOC AG with a partner in Berlin in 2001 after working for Roland Berger Strategy Consultants as a senior advisor dealing mainly with the restructuring and strategic reorientation of companies.

MICHAEL KRUSE

Michael Kruse was appointed as board member of YOC AG in January 2015. He had previously been the managing director of the belboon affiliate network, which was part of the YOC Group until June 2014. Kruse has a great deal of experience in the management and development of companies involved in digital marketing due to his earlier work as managing partner of the performance agency ad:C Media and as country manager of the Commission Junction affiliate network.

Supervisory Board

The Supervisory Board was composed as follows in the financial year 2015

DR. NIKOLAUS BREUEL

Businessman, Berlin

- Managing partner Karl-J. Kraus GmbH
- D+S communication center management GmbH: Managing Director (since 10/2015)
- D+S communication center management GmbH: Member of the Supervisory Board (until 09/2015)
- YOC AG: Chairman of the Supervisory Board since 01/2014

KONSTANTIN GRAF LAMBSDORFF

Lawyer, Berlin

- PRIMUS Immobilien AG, Chairman of the Supervisory Boards (since 2008)
- YOC AG: Deputy Chairman of the Supervisory Board (since 01/2014)

SACHA BERLIK

Businessman, Cologne

- YOC AG: Member of the Supervisory Board (since 01/2014)

Financial Calendar 2016

20 MAY

Interim Report
First Quarter 2016

08 July

Annual General
Meeting

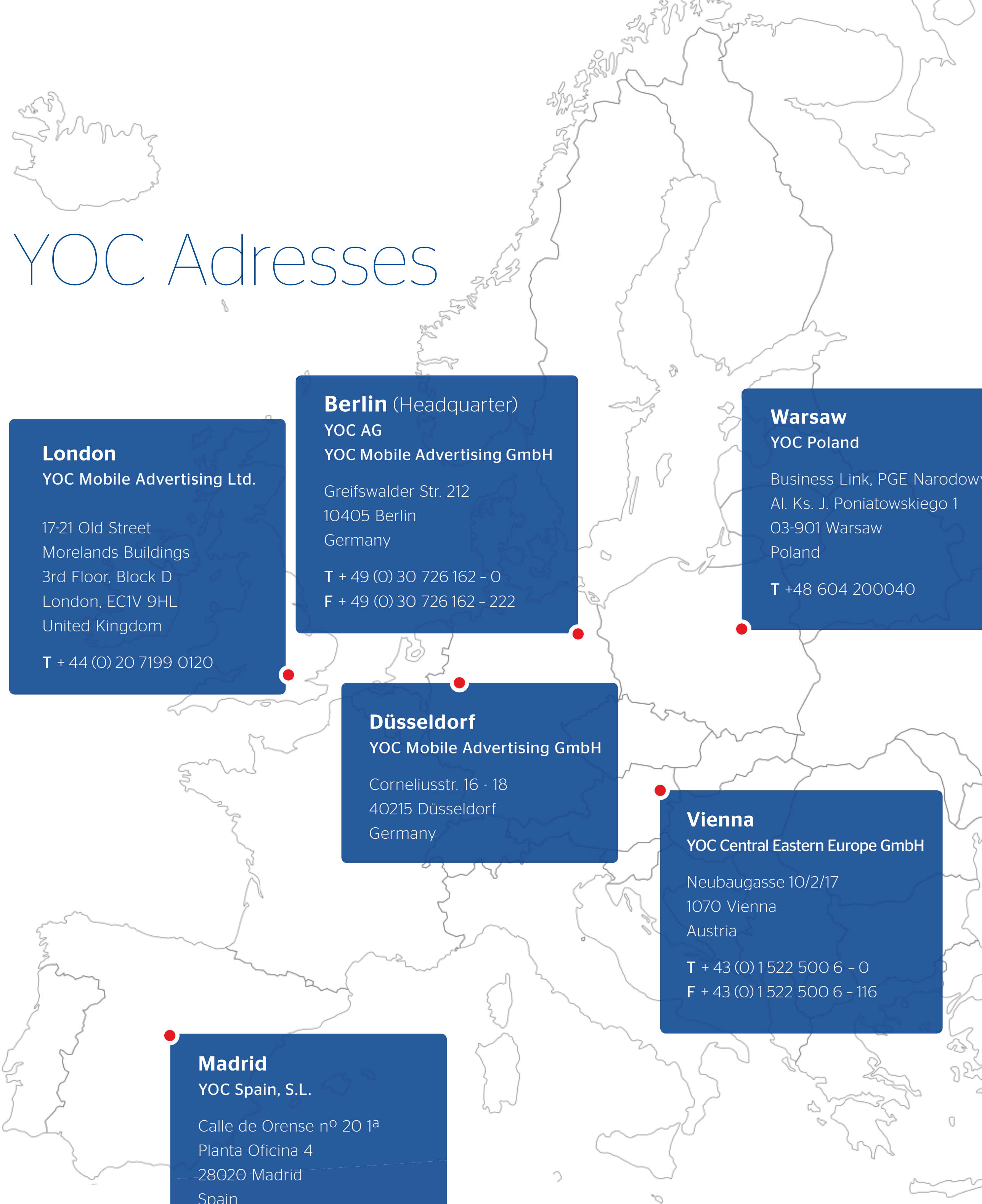
12 AUGUST

Interim Report
First Half of 2016

18 NOVEMBER

Interim Report
Third Quarter 2016

YOC Adresses



London
YOC Mobile Advertising Ltd.

17-21 Old Street
Morelands Buildings
3rd Floor, Block D
London, EC1V 9HL
United Kingdom

T + 44 (0) 20 7199 0120

Berlin (Headquarter)
YOC AG
YOC Mobile Advertising GmbH

Greifswalder Str. 212
10405 Berlin
Germany

T + 49 (0) 30 726 162 - 0
F + 49 (0) 30 726 162 - 222

Warsaw
YOC Poland

Business Link, PGE Narodowy
Al. Ks. J. Poniatowskiego 1
03-901 Warsaw
Poland

T +48 604 200040

Düsseldorf
YOC Mobile Advertising GmbH

Corneliusstr. 16 - 18
40215 Düsseldorf
Germany

Vienna
YOC Central Eastern Europe GmbH

Neubaugasse 10/2/17
1070 Vienna
Austria

T + 43 (0) 1 522 500 6 - 0
F + 43 (0) 1 522 500 6 - 116

Madrid
YOC Spain, S.L.

Calle de Orense nº 20 1ª
Planta Oficina 4
28020 Madrid
Spain

T + 34 (0) 91 392 41 87

Imprint

Publisher

YOC AG
Greifswalder Str. 212
10405 Berlin
Germany

T + 49 (0) 30 726 162 - 0
F + 49 (0) 30 726 162 - 222
info@yoc.com

District Court of Berlin:
Commercial Register No. 77285

Overall Design and Editorial

YOC AG
Investor Relations
ir@yoc.com
www.yoc.com

Design

Tobias Spitzer
www.illustratore.de

info@yoc.com
www.yoc.com

yoc